20241008066623

# Årsredovisning

för

# Linjemontage i Grästorp AB

556464-7575

Räkenskapsåret

2023-04-01 - 2024-03-31

## Fastställelseintyg

Undertecknad verkställande direktör i Linjemontage i Grästorp AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2024-09-30 Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

**Grästorp 2024-09-30**

**Anders Åkerberg**
Verkställande Direktör

20241008066624

# Årsredovisning

**för**

# Linjemontage i Grästorp AB

556464-7575

Räkenskapsåret

2023-04-01 - 2024-03-31

**Innehållsförteckning**


| | |
|---|---|
| Förvaltningsberättelse | 1 |
| Resultaträkning | 8 |
| Balansräkning | 9 |
| Rapport över förändring i eget kapital | 11 |
| Kassaflödesanalys | 12 |
| Noter | 13 |

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Styrelsen och verkställande direktören för Linjemontage i Grästorp AB avger följande årsredovisning för räkenskapsåret 2023-04-01 - 2024-03-31.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr). Uppgifter inom parentes avser föregående år.

# Förvaltningsberättelse

## Information om verksamheten

Verksamheten bedrivs inom området kraftförsörjningsanläggningar och inom spänningsområdet 0.4 - 400 kV. Verksamheten bedrivs inom hela Sverige samt i Norge via dotterbolaget Linjemontage AS. Kunderna är elnätsägare, kommunal och offentlig förvaltning.

Sedan 2022 ägs 100% av Linjemontage-koncernen av bolaget Kalpataru Power Transmission Sweden AB, org.nr. 559192-7271 med säte i Västerås. Bolaget ingår i den koncern som har det indiska bolaget Kalpataru Projects International Limited (tidigare Kalpataru Power Transmission Limited), org.nr. L40100GJ1981PLC004281, med säte i Gandhingar, Indien, som toppmoder.

Företaget har sitt säte i Grästorp.

## Väsentliga händelser under räkenskapsåret

Det kraftigt ökade behovet av elektrifiering som en följd av energiomställningen och åldrande infrastruktur gör att investeringarna i elnätet är på rekordnivåer.
Det har bidragit till en rekordstor orderingång på affärsområdet Kraftanläggningar.
Övriga affärsområden, Industri & Service och Transmission, väntar fortfarande på den stora investeringsvågen som är i antågande till följd av den elektrifiering som krävs för att Sverige skall nå nollutsläpp 2045.
2023 har dominerats av stations-och ställverksprojekt mot främst Vattenfall, Ellevio och Svenska kraftnät men också ett antal andra nätägare och industriföretag.

Resultatet är påverkat av de tidigare tagna projekten under covid-19 åren som levererats under bokföringsåret.
Regionnätsmarknaden har tidigare präglats av pressade prisnivåer på grund av att utbuden på projekt var låga och konkurrenterna många.
I tillägg så steg priserna på produkter, system och tjänster pga inflationen och de långa projekttiderna gjorde att resultatet påverkades ytterligare.

Linjemontage har under året fortsatt att säkerställa kompetensen i bolaget genom att rekrytera nya medarbetare till bolaget.

På dotterbolaget Linjemontage AS har under året en rad åtgärder vidtagits för att säkerställa en snabb turn-around för att nå lönsamhet redan nästa år.
Enligt våra redovisnigsprinciper så har värdet på aktierna i, Linjemontage AS, som skrevs ner föregående år med 6 M kr, har återförts. Även lånet på 7,8 M kr har återförts och återbetalats under året.

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Under året har vi öppnat en filial i Kroatien för att säkerställa resurser för projekt på den svenska marknaden.

Ett lån om EUR 4 600 000 har givits till vårt systerbolag Fasttel Engenharia S.A. i Brasilien. Det utgår ränta på lånet enligt marknadsmässiga villkor.

Ett byte av VD har skett under året, ny VD för bolaget är Anders Åkerberg och han tillträdde 2023-07-19.

**Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer**

Linjemontage skall fortsätta utveckla sin affärsverksamhet genom att vara känt i branschen som den ledande märkesoberoende leverantören inom sina verksamhetsområden.
Bolaget ska fortsatt vara det flexibla företaget med de stora resurserna och en rad initiativ pågår för att öka den egna leveransförmågan.
För att komma närmare marknaden, kunderna, leverantörerna och anläggningsplatserna samt fortsätta vara en bra arbetsgivare ska Linjemontage fortsätta ha fler fasta etableringar.

Verksamheten i Linjemontage i Grästorp AB är till hög grad en entreprenörsverksamhet med personalen som framgångsfaktor.
Konkurrensen om personal är hög och för att uppnå tillväxt och lönsamhet krävs god personalförsörjning. Bolaget arbetar därför kontinuerligt med att behålla, rekrytera och utveckla anställda och att vara en attraktiv arbetsgivare.

**Utländska filialer**

Under året har vi öppnat en filial i Kroatien för att säkerställa resurser för projekt på den svenska marknaden. Filialen kommer ha sitt säte i Zagreb. Montörer och övrig personal kommer kontinuerligt anställas i takt med att kommande projekt ska utföras.
Satsningen görs på grund av att vi ser att beställarnas prognoser för kommande projekt talar för att det kommer bli svårt att säkra underentreprenörer för att utföra projekten.

LINJEMONTAGE I GRASTORP AKTIEBOLAG PODRUŽNICA OSI
ULICA HRVATSKE REPUBLIKE 17B, OSIJEK, 31000 Osijek
VAT nummer: HR43796805691

**Hållbarhetsrapport**

***Affärsmodell***
Linjemontage är ett entreprenadföretag som konstruerar och bygger kraftanläggningar från 0,4-400kV.
Linjemontage affärsidé är att vara specialister på kraftförsörjningsanläggningar inom spänningsområdet 0,4-400 kV. Vi marknadsför, säljer och levererar kundanpassade kraftförsörjningslösningar och tjänster som ger konkurrenskraft, komfort och trygghet för våra kunder inom nätbolag, industri och offentlig förvaltning.

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Vår affärsmodell kan sammanfattas som Input Förädling Output.

*Input*
Vi väljer noggrant ut leverantörer, säkerställer att de uppfyller våra höga krav på kvalitet och miljö, detta inkluderar material och utrustning som används i våra installationer och projekt.

*Förädling*
Våra tjänster innebär konstruktion, installation, underhåll och reparation av kraftledningar och stationer. Genom vårt integrerade ledningssystem och certifierade processer (ISO 9001, 14001, 45001) förädlar vi dessa insatsvaror till säkra och effektiva energilösningar

*Output*
Slutresultatet är pålitliga och hållbara energilösningar som stödjer våra kunder och intressenters behov och bidrar till långsiktig värdeskapande genom att säkerställa energiförsörjningens hållbarhet och tillförlitlighet.

Genom denna modell genererar och bevarar vi värde på lång sikt genom att kontinuerligt förbättra våra processer och produkter, minska miljöpåverkan och främja socialt ansvarstagande i vår verksamhet.

***Väsentliga miljörisker och möjligheter***
Linjemontage har identifierat följande väsentliga miljörisker och möjligheter.

*Risker:*
Utsläpp till luft från entreprenadmaskiner och transporter.
Utsläpp till mark från entreprenadmaskiner och komponenter.
Felaktig avfallshantering relaterat till våra verksamheter.
Klimatförändringar som kan påverka verksamheten och våra kunders energibehov.

*Möjligheter:*
Ökad efterfrågan på hållbara energilösningar och förnybar energi.
Utveckling av innovativa lösningar för att minska miljöpåverkan och förbättra effektiviteten vid både byggnation och drift av energisystem.
Stärka vårt varumärke genom att implementera och kommunicera en trovärdig och mätbar hållbarhetsstrategi som en kärnkomponent i vår verksamhet.

Dessa risker och möjligheter hanteras genom noggranna bedömningar och implementering av handlingsplaner som syftar till att minimera riskerna och maximera de positiva effekterna på miljön.

***Miljöarbete***
Linjemontage i Grästorp AB arbetar i ett integrerat ledningssystem för kvalitet, miljö och arbetsmiljö. Ledningssystemet är certifierat enlig ISO 9001:2015, ISO 14001:2015 och ISO 45001:2018 av Swedac ackrediterat certifieringsorgan.

Riktlinjer för Linjemontage miljöarbete återfinns i företagets Verksamhetspolicy som täcker områdena kvalitet, miljö och arbetsmiljö.

Linjemontage risker och möjligheter samt intressenters krav är sammanställda i företagets affärsplan. Utifrån värdering av dessa utfärdas handlingsplaner och aktiviteter för att uppnå förbättrat resultat på respektive område.

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Risken att Linjemontage aktiviteter skall orsaka betydande negativ miljöpåverkan eller skador på miljön bedöms som låg.

Linjemontage miljöpåverkande aktiviteter (miljöaspekter) kartläggs årligen i en miljöaspektlista. Efter bedömning av risk/möjlighet för negativ/positiv miljöpåverkan inom respektive aktivitet genomförs åtgärder/handlingsplaner för att minska miljöpåverkanför från företagets betydande miljöaspekter.

*Resultatindikatorer (KPI)*

Minska våra persontransporters klimatavtryck. Procentuellt antal elbilar i förmånsbilspoolen.
Utfall föregående räkenskapsår 23 %
Utfall aktuellt räkenskapsår 53 %

*Policys:*

Verksamhetspolicy (miljöpolicy)

***Sociala förållanden***
Linjemontage i Grästorp AB arbetar systematiskt för att skapa en hållbar utveckling för personal, inhyrd personal och underleverantörer. Företagets verksamhetspolicy är en tydlig övergripande riktlinje.

Risken att Linjemontage skall bidra till försämrade sociala förhållanden bedöms som låg.

Linjemontage arbetar aktivt för att motverka diskriminering och främja god arbetsmiljö för alla. Det innebär lika rättigheter och möjligheter oavsett någon av diskrimineringsgrunderna: kön, könsöverskridande identitet eller uttryck, etnisk tillhörighet, religion eller annan trosuppfattning, funktionsnedsättning, sexuell läggning eller ålder.

Vi har ett ledningssystem som bygger på att erbjuda en arbetsmiljö som ger de anställda skydd mot ohälsa och olycksfall. För att uppnå en hållbar utveckling för vår personal och andra intressenter finns tydliga riktlinjer i våra policys för jämställdhet, diskriminering och uppförandepolicys. Det finns tydliga rutiner för hur vi hanterar avvikelser från våra policys och riktlinjer där målet alltid är att företaget skall ta ansvar för och genomföra åtgärder och erbjuda rehabilitering för eventuellt drabbad personal.

*Resultatindikatorer (KPI)*

Antal olyckor som leder till sjukfrånvaro (UE) 0
Antal olyckor som leder till sjukfrånvaro (egen personal) 2
Lost time injury frequency rate (LTIFR) 4,35
Sjukfrånvaro Kollektivanställda+Tjänstemän 2,9 %
Personalomsättning 12,9 %

*Policys:*

Verksamhetspolicy (arbetsmiljöpolicy)
Alkohol- och drogpolicy
Diskrimineringspolicy
Visselblåsarpolicy

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***Personal***
Linjemontage i Grästorp AB har ett webb-baserat ledningssystem där alla i personalen kommer åt verksamhetshandbok och personalhandbok via vår interna hemsida. Alla i personalen har en personlig smartphone och tillgång till dator.

Linjemontage har en tydlig verksamhetspolicy som innebär att vi skall skapa säkra och hållbara arbetsplatser för våra medarbetare såväl som underleverantörer och inhyrd personal.

Avvikelser, olyckor, tillbud, risker etc rapporteras via interna hemsidan eller via smartphone app.

I våra projekt upprättas alltid en projektspecifik arbetsmiljöplan som uppfyller och överträffar kraven i AFS 1999:3. En projektspecifik risköversikt med åtgärdsprogram upprättas i enlighet med AFS 1999:3. Skyddsronder genomförs löpande med högst 14 kalenderdagars intervall. Alla arbetslag genomför en skriftlig riskanalys i början av varje arbetsdag med syfte att alltid inleda arbetsdagen med att diskutera dagens specifika arbetsuppgifter, förutsättningar och risker.

Risken att Linjemontage personal skadas allvarligt i arbetet bedöms som låg/medel. Det finns tydliga riktlinjer för arbetsmoment, åtgärder och personlig skyddsutrustning. Men om dessa riktlinjer skulle överträdas, förvärras risken avsevärt.

*Resultatindikatorer (KPI)*

Antal olyckor som leder till sjukfrånvaro (UE) 0
Antal olyckor som leder till sjukfrånvaro (egen personal) 2
Lost time injury frequency rate (LTIFR) 4,35
Sjukfrånvaro Kollektivanställda+Tjänstemän 2,9 %
Personalomsättning 12,9 %

*Policys:*

Verksamhetspolicy (arbetsmiljöpolicy)
Alkohol- och drogpolicy
Diskrimineringspolicy
Visselblåsarpolicy

***Respekt för mänskliga rättigheter***
Linjemontage i Grästorp AB har tydliga riktlinjer för inköp av både material och personalresurser. Vid inköp från nya leverantörer eller inhyrning av personal vägs alltid riskerna in för någon form av avvikelser från mänskliga rättigheter.

Risken att våra processer skall bidra till brott mot mänskliga rättigheter bedöms som låg. De områden som risken förekommer är framförallt inköp av material och utrustning från länder utanför EU, samt upphandling av personalresurser utomlands. I de fallen genomförs alltid en noggrann kontroll och riskbedömning anpassad till respektive inköps karaktär och förutsättningar.

Linjemontage uppförandepolicy, diskrimineringspolicy samt rutiner och checklistor för leverantörshantering och inköp har tydliga riktlinjer inom området.

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*Resultatindikatorer (KPI)*

Antal visselblåsarärenden 0
Antal avvikelser kopplade till mänskliga rättigheter 0
Antal revisionsanmärkningar vid leverantörsrevisioner 0

*Policys:*

Verksamhetspolicy
Code of conduct
Antikorruptionspolicy
Visselblåsarpolicy

***Motverkande av korruption***
Linjemontage i Grästorp AB är ett ansvarstagande företag som motsätter sig all form av korruption och liknande aktiviteter. I företagets uppförandepolicy framgår tydliga riktlinjer för hur personalen skall agera.

Relationsfrämjande åtgärder förekommer i olika former inom näringslivet. I Sverige kan allt detta under vissa omständigheter klassas som muta enligt brottsbalken. Förenklat uttryckt kan den som tar emot eller begär en muta dömas för mutbrott och den som lämnar eller erbjuder en muta dömas för bestickning.

Risken för att Linjemontage bidrar till någon form av korruption eller liknande aktiviteter bedöms som låg.

Alla anställda skall följa konkurrensregler och annan lagstiftning gällande mutbrott och bestickning. Det är förbjudet att begära eller avge någon form av löften i samband med gåvor.

Linjemontage och dess medarbetare får aldrig utnyttja mutor, bestickning eller otillåten ersättning av någon form i relation med kunder, myndigheter eller andra beslutsfattare med syfte att erhålla eller behålla affären.

Linjemontages medarbetare ska undvika att engageras sig i aktiviteter som kan leda till en intressekonflikt. Det är förbjudet att för egen vinning utnyttja relationer med affärspartners såsom kunder, underleverantörer eller leverantörer.

Alla anställda och inhyrda skall känna till innehållet i uppförandepolicy. Nyanställda informeras vid introduktionen för nyanställda och inhyrda i samband med introduktionen till arbete för Linjemontage.

*Resultatindikatorer (KPI)*

Antal visselblåsarärenden 0
Antal avvikelser kopplade till korruption 0
Antal revisionsanmärkningar vid leverantörsrevisioner 0

*Policys:*

Code of conduct
Antikorruptionspolicy

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| **Flerårsöversikt** (Tkr) | **2023/24** | **2022/23** | **2021/22** | **2020/21** | **2019/20** (15 mån) |
|---|---|---|---|---|---|
| Nettoomsättning | 1 094 705 | 1 000 804 | 1 223 936 | 1 229 919 | 975 000 |
| Rörelseresultat | 15 883 | 83 915 | 152 582 | 68 121 | 35 266 |
| Resultat efter finansiella poster | 30 496 | 73 322 | 154 381 | 68 110 | 35 063 |
| Balansomslutning | 589 427 | 395 138 | 344 274 | 347 805 | 380 535 |
| Antal anställda | 185 | 160 | 154 | 146 | 129 |
| Soliditet (%) | 30,6 | 41,6 | 41,2 | 34,4 | 19,8 |
| Avkastning på totalt kap. (%) | 7,1 | 18,8 | 45,1 | 19,6 | 9,3 |
| Avkastning på eget kap. (%) | 16,9 | 44,6 | 108,7 | 57,0 | 46,6 |

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

## Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

| | |
|---|---|
| balanserad vinst | 137 071 783 |
| årets vinst | 29 131 569 |
| | **166 203 352** |

| | |
|---|---|
| disponeras så att | |
| i ny räkning överföres | 166 203 352 |

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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# Resultaträkning

| | Not | 2023-04-01 -2024-03-31 | 2022-04-01 -2023-03-31 |
|---|---|---|---|
| | 1 | | |
| **Rörelsens intäkter** | | | |
| Nettoomsättning | 3, 4 | 1 094 705 063 | 1 000 803 750 |
| Övriga rörelseintäkter | | 3 399 511 | 2 105 952 |
| | | **1 098 104 574** | **1 002 909 702** |
| **Rörelsens kostnader** | | | |
| Råvaror och förnödenheter | | -823 067 250 | -703 563 243 |
| Övriga externa kostnader | 5, 6 | -68 520 433 | -47 758 727 |
| Personalkostnader | 7 | -183 838 071 | -161 297 149 |
| Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar | | -4 241 418 | -3 527 280 |
| Övriga rörelsekostnader | | -2 554 002 | -2 847 864 |
| | | **-1 082 221 174** | **-918 994 263** |
| **Rörelseresultat** | | **15 883 400** | **83 915 439** |
| **Resultat från finansiella poster** | | | |
| Resultat från andelar i koncernföretag | 8 | 13 837 223 | -13 726 314 |
| Övriga ränteintäkter och liknande resultatposter | | 12 414 184 | 4 160 524 |
| Räntekostnader och liknande resultatposter | | -11 638 464 | -1 028 076 |
| | | **14 612 943** | **-10 593 866** |
| **Resultat efter finansiella poster** | | **30 496 343** | **73 321 573** |
| Bokslutsdispositioner | 9 | 3 152 233 | 1 387 952 |
| **Resultat före skatt** | | **33 648 576** | **74 709 525** |
| Skatt på årets resultat | 10 | -4 517 007 | -18 475 583 |
| **Årets resultat** | | **29 131 569** | **56 233 942** |

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# Balansräkning

| | Not | 2024-03-31 | 2023-03-31 |
|---|---|---|---|
| | 1 | | |
| **TILLGÅNGAR** | | | |
| **Anläggningstillgångar** | | | |
| ***Materiella anläggningstillgångar*** | | | |
| Byggnader och mark | 11 | 9 824 851 | 10 430 425 |
| Inventarier, verktyg och installationer | 12 | 11 335 587 | 9 956 036 |
| Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar | 13 | 0 | 29 184 |
| | | **21 160 438** | **20 415 645** |
| ***Finansiella anläggningstillgångar*** | | | |
| Andelar i koncernföretag | 14, 15 | 9 311 968 | 3 350 000 |
| Fordringar hos koncernföretag | 16 | 0 | 0 |
| Fordringar hos intresseföretag och gemensamt styrda företag | 17 | 746 321 | 0 |
| Andra långfristiga fordringar | 18 | 56 169 413 | 273 163 |
| | | **66 227 702** | **3 623 163** |
| **Summa anläggningstillgångar** | | **87 388 140** | **24 038 808** |
| **Omsättningstillgångar** | | | |
| ***Varulager m m*** | | | |
| Råvaror och förnödenheter | | 2 679 567 | 13 547 406 |
| | | **2 679 567** | **13 547 406** |
| ***Kortfristiga fordringar*** | | | |
| Kundfordringar | 19 | 144 828 981 | 97 229 954 |
| Fordringar hos koncernföretag | | 3 659 607 | 6 951 190 |
| Upparbetade ej fakturerade intäkter | 20 | 199 842 393 | 111 195 598 |
| Övriga fordringar | | 40 761 302 | 8 810 101 |
| Förutbetalda kostnader och upplupna intäkter | 21 | 10 002 164 | 7 009 283 |
| | | **399 094 447** | **231 196 126** |
| ***Kassa och bank*** | 22 | 100 264 456 | 126 356 004 |
| **Summa omsättningstillgångar** | | **502 038 470** | **371 099 536** |
| **SUMMA TILLGÅNGAR** | | **589 426 610** | **395 138 344** |

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# Balansräkning

| | Not | 2024-03-31 | 2023-03-31 |
|---|---|---|---|
| | 1 | | |
| **EGET KAPITAL OCH SKULDER** | | | |
| **Eget kapital** | 23 | | |
| ***Bundet eget kapital*** | | | |
| Aktiekapital | | 200 000 | 200 000 |
| Reservfond | | 40 000 | 40 000 |
| | | **240 000** | **240 000** |
| ***Fritt eget kapital*** | | | |
| Balanserad vinst eller förlust | | 137 071 783 | 91 837 841 |
| Årets resultat | | 29 131 569 | 56 233 942 |
| | | **166 203 352** | **148 071 783** |
| **Summa eget kapital** | | **166 443 352** | **148 311 783** |
| **Obeskattade reserver** | 24 | 17 282 537 | 20 434 770 |
| **Avsättningar** | 25 | | |
| Uppskjuten skatteskuld | | 53 717 | 53 717 |
| Övriga avsättningar | | 681 741 | 453 152 |
| **Summa avsättningar** | | **735 458** | **506 869** |
| **Kortfristiga skulder** | | | |
| Leverantörsskulder | | 149 731 266 | 62 759 688 |
| Skulder till koncernföretag | | 93 609 | 0 |
| Aktuella skatteskulder | | 1 705 | 26 694 271 |
| Fakturerade ej upparbetade intäkter | 26 | 215 803 141 | 98 263 329 |
| Övriga skulder | | 3 939 206 | 2 692 001 |
| Upplupna kostnader och förutbetalda intäkter | 27 | 35 396 336 | 35 475 633 |
| **Summa kortfristiga skulder** | | **404 965 263** | **225 884 922** |
| **SUMMA EGET KAPITAL OCH SKULDER** | | **589 426 610** | **395 138 344** |

20241008066335

# Rapport över förändringar i eget kapital

| | Aktie-kapital | Reserv fond | Fritt eget kapital | Summa eget kapital |
|---|---|---|---|---|
| **Ingående eget kapital 2022-04-01** | **200 000** | **40 000** | **124 837 841** | **125 077 841** |
| Utdelning | | | -33 000 000 | -33 000 000 |
| Årets resultat | | | 56 233 942 | 56 233 942 |
| **Utgående eget kapital 2023-03-31** | **200 000** | **40 000** | **148 071 783** | **148 311 783** |
| Utdelning | | | -11 000 000 | -11 000 000 |
| Årets resultat | | | 29 131 569 | 29 131 569 |
| **Utgående eget kapital 2024-03-31** | **200 000** | **40 000** | **166 203 352** | **166 443 352** |

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# Kassaflödesanalys

| | Not | 2023-04-01 -2024-03-31 | 2022-04-01 -2023-03-31 |
|---|---|---|---|
| | 1 | | |
| **Den löpande verksamheten** | | | |
| Rörelseresultat | | 15 883 400 | 83 915 439 |
| Justeringar för poster som inte ingår i kassaflödet | 28 | 3 589 404 | 2 564 793 |
| Ränteintäkter | | 12 414 184 | 4 160 524 |
| Räntekostnader | | -11 638 464 | -1 028 076 |
| Betald skatt | | -58 436 127 | -25 128 859 |
| **Kassaflöde från den löpande verksamheten före förändring av rörelsekapital** | | **-38 187 603** | **64 483 821** |
| | | | |
| **Kassaflöde från förändring av rörelsekapitalet** | | | |
| Förändring av varulager och pågående arbete | | 10 867 839 | -263 086 |
| Förändring av kundfordringar | | -47 599 027 | -13 848 150 |
| Förändring av kortfristiga fordringar | | -93 072 740 | -32 413 774 |
| Förändring av leverantörsskulder | | 86 971 578 | -1 608 330 |
| Förändring av kortfristiga skulder | | 118 801 329 | 38 030 185 |
| **Kassaflöde från den löpande verksamheten** | | **37 781 376** | **54 380 666** |
| | | | |
| **Investeringsverksamheten** | | | |
| Investeringar i materiella anläggningstillgångar | | -5 166 607 | -4 213 307 |
| Försäljning av materiella anläggningstillgångar | | 1 061 000 | 768 000 |
| Investeringar i finansiella anläggningstillgångar | | -48 767 317 | 4 339 126 |
| **Kassaflöde från investeringsverksamheten** | | **-52 872 924** | **893 819** |
| | | | |
| **Finansieringsverksamheten** | | | |
| Utbetald utdelning | | -11 000 000 | -33 000 000 |
| **Kassaflöde från finansieringsverksamheten** | | **-11 000 000** | **-33 000 000** |
| | | | |
| **Årets kassaflöde** | | **-26 091 548** | **22 274 485** |
| **Likvida medel vid årets början** | | **126 356 004** | **104 081 519** |
| **Likvida medel vid årets slut** | 29 | **100 264 456** | **126 356 004** |

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# Noter

## Not 1 Redovisnings- och värderingsprinciper

### Allmänna upplysningar

Bolagets årsredovisning har upprättats enligt årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 *Årsredovisning och koncernredovisning* (K3).

Koncernredovisning upprättas inte då moderbolaget upprättar koncernredovisning i enlighet med årsredovisningslagen 7 kap. 2§.

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

För säkring av tillgång eller skuld mot valutakursrisk används valutaterminer.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

### Pågående entreprenadarbeten och liknande

Inkomster från uppdrag på löpande räkning redovisas som intäkt i takt med att arbetet utförs och material levereras eller förbrukas innebärande att vinsten från uppdragen avräknas successivt.

Om det inte är sannolikt att betalning kommer att erhållas för belopp som redan har redovisats som intäkt redovisas det belopp som sannolikt inte kommer att erhållas som en kostnad.

I balansräkningen jämförs redovisade intäkter med de belopp som fakturerats beställaren under samma period. Om de fakturerade beloppen överstiger den redovisade intäkten utgör mellanskillnaden en skuld, vilken redovisas som fakturerad men ej upparbetad intäkt. Om intäkten överstiger de fakturerade beloppen utgör mellanskillnaden en fordran vilken redovisas som upparbetad men ej fakturerad intäkt.

Inkomster från uppdrag till fast pris redovisas som intäkt enligt uppdragens respektive färdigställandegrad, så kallad successiv vinstavräkning. Färdigställandegraden fastställs huvudsakligen genom att jämföra nedlagda uppdragsutgifter med totala uppdragsutgifter.

När utfallet kan beräknas på ett tillförlitligt sätt redovisas uppdragsinkomsten och hänförliga uppdragsutgifter i resultaträkningen med utgångspunkt från färdigställandegraden av aktiviteterna på balansdagen.

Om det ekonomiska utfallet av ett uppdrag inte kan beräknas på ett tillförlitligt sätt redovisas en intäkt endast med ett belopp som motsvarar de uppkomna uppdragsutgifter som sannolikt kommer att ersättas av beställaren. Om det är sannolikt att de totala uppdragsutgifterna kommer att överstiga den totala uppdragsinkomsten från ett uppdrag redovisas den befarade förlusten som en kostnad omgående i resultaträkningen.

I balansräkningen jämförs redovisade intäkter med de belopp som fakturerats beställaren under samma period. Om de fakturerade beloppen överstiger den redovisade intäkten utgör mellanskillnaden en skuld, vilken redovisas som fakturerad men ej upparbetad intäkt. Om intäkten överstiger de fakturerade beloppen utgör mellanskillnaden en fordran vilken redovisas som upparbetad men ej fakturerad intäkt.

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## Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Följande avskrivningstid tillämpas:

***Immateriella anläggningstillgångar***

| | |
|---|---|
| Balanserade utgifter för utvecklingsarbeten | 3-5 år |

***Materiella anläggningstillgångar***

| | |
|---|---|
| Byggnader | 15-50 år |
| Inventarier, verktyg och installationer | 3-10 år |

***Komponentindelning***
Materiella anläggningstillgångar har delats upp på komponenter när komponenterna är betydande och när komponenterna har väsentligt olika nyttjandeperioder. När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras. Utgifter för löpande reparationer och underhåll redovisas som kostnader.

## Finansiella instrument
***Andelar i dotterföretag***
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

***Nedskrivningsprövning av finansiella anläggningstillgångar***
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

## Leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

## Varulager
Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att inkurans i varulagret har beaktats.

## Inkomstskatter
***Aktuell skatt***
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

## Avsättningar
Som avsättning har redovisats förpliktelser gentemot tredje man som är hänförliga till räkenskapsåret eller tidigare räkenskapsår och som på balansdagen antingen är säkra eller sannolika till sin förekomst men ovissa till belopp eller till den tidpunkt då de ska infrias. Avsättningarna utgår från faktiska historiska kostnader.

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## Ersättningar till anställda

Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

***Pensioner***

Avgiftsbestämda pensionsplaner

Som avgiftsbestämda pensionsplaner klassificeras de planer där företagets förpliktelse är begränsad till de avgifter företaget åtagit sig att betala till ett försäkringsbolag eller annan fristående juridisk enhet. I sådant fall beror storleken på den anställdes pension på storleken av avgifter som företaget betalar till denna juridiska enhet och hur denna förräntar kapitalet. Företagets förpliktelser avseende avgifter till avgiftsbestämda planer redovisas som en kostnad i årets resultat i den takt de intjänas genom att de antställda utfört tjänster åt företaget under en period.

Förmånsbestämda pensionsplaner

Pensionsplaner som inte är avgiftsbestämda är förmånsbestämda vilket innebär att arbetsgivaren förbinder sig att utbetala pension på viss förmånsnivå. De förmånsbestämda planerna inom koncernen består av ITP2-planen för tjänstemän i Sverige som tryggas genom försäkring i Alecta. Pensionsplanen ITP2 som tryggas genom försäkring i Alecta utgör en förmånsbestämd plan som omfattar flera arbetsgivare. Planen redovisas dock som en avgiftsbestämd plan eftersom Alecta inte kan tillhandahålla information som möjliggör redovisning av respektive medlemsföretags proportionella andel av planens förpliktelser, förvaltningstillgångar och kostnader. I övrigt förekommer inte förmånsbestämda pensionsplaner.

## Kassaflödesanalys

Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.

Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Förändringar i spärrade medel redovisas i investeringsverksamheten.

## Nyckeltalsdefinitioner

Soliditet

Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatteskuld) i förhållande till balansomslutningen.

Avkastning på totalt kapital

Resultat före finansiella kostnader i förhållande till balansomslutningen.

Avkastning på eget kapital

Resultat efter finansiella poster i förhållande till eget kapital och obeskattade reserver (med avdrag för uppskjuten skatteskuld).

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## Not 2 Uppskattningar och bedömningar

Upprättande av årsredovisning enligt K3 kräver att företagsledning och styrelse gör antaganden om framtiden och andra viktiga källor till osäkerhet i uppskattningar på balansdagen som innebär en betydande risk för en justering av de redovisade värdena för tillgångar och skulder i framtiden. Det görs också bedömningar som har betydande effekt på de redovisade beloppen i den här årsredovisningen.

Uppskattningar och bedömingar baseras på historisk erfarenhet och andra faktorer som under rådande förhållanden anses vara rimliga. Resultatet av dessa uppskattningar och bedömningar används sedan för att fastställa redovisade värden på tillgångar och skulder.

Uppskattningar och bedömningar ses över årligen.

De områden där sådana uppskattningar och bedömningar kan ha stor betydelse och som därmed kan påverka resultat- och balansräkningarna under kommande räkenskapsår, beskrivs nedan.

Successiv vinstavräkning
Det redovisade resultatet i pågående entreprenadprojekt tas fram genom successiv vinstavräkning baserad på projektets färdigställandegrad. Detta kräver att projektintäkter och projektkostnader kan beräknas på ett tillförlitligt sätt. Förutsättningen är väl fungerande system för kalkylering, prognosrutiner och projektuppföljning. Prognos avseende projektets slutliga utfall är en kritisk bedömning som är väsentlig för resultatredovisningen under projektets gång. Projektprognoserna utvärderas regelbundet under respektive projekts löptid och justeras vid behov. Risk kan finnas att slutligt resultat avseende projekt kan avvika från successivt redovisat.Att bestämma när intäkterna från pågående entreprenaduppdrag ska redovisas kräver bland annat en förståelse för hur arbetet fortskrider och historisk erfarenhet av liknande arbeten.

Garantiavsättningar
Gjorda avsättningar för garantier är reserveringar motsvarande den beräknade kostnaden eller det beräknade intäktsavdraget för garantier som verksamheten gör avseende garantiåtaganden gentemot externa kunder. En avsättning ska omprövas varje balansdag och justeras så att den återspeglar den aktuella bästa uppskattningen av det belopp som krävs för att reglera förpliktelsen på balansdagen.

Ändrad bedömning av lager
Företaget har efter en genomgång av lager i projekt gjort en ändrad bedömning av poster inom varulager med 61,9 MSEK. Förändringen påverkar färdigställandegraden för berörda projekt och ökar årets intäkter med 64,6 MSEK.
Den ändrade bedömningen är en anpassning till vårt moderbolag och avser projektspecifikt material som beställs eller tillverkas enligt specifikation från kunden samt att vi enligt kontrakt har rätt till betalning.

## Not 3 Nettoomsättningens fördelning

| | 2023-04-01 -2024-03-31 | 2022-04-01 -2023-03-31 |
|---|---|---|
| **Nettoomsättningen per rörelsegren** | | |
| Försäljning externt | 1 056 896 373 | 972 220 859 |
| Försäljning internt | 37 794 220 | 28 539 963 |
| Försäljning personal | 14 470 | 42 928 |
| | 1 094 705 063 | 1 000 803 750 |

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## Not 4 Inköp och försäljning till koncernföretag

| | 2023-04-01 -2024-03-31 | 2022-04-01 -2023-03-31 |
|---|---|---|
| Försäljning som avser koncernföretag | 37 794 220 | 28 539 963 |
| Inköp som avser koncernföretag | -6 461 311 | -4 608 972 |
| | **31 332 909** | **23 930 991** |

## Not 5 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

| | 2023-04-01 -2024-03-31 | 2022-04-01 -2023-03-31 |
|---|---|---|
| **Grant Thornton Sweden AB** | | |
| Revisionsuppdrag | 236 000 | 208 000 |
| Revision utöver uppdraget | 0 | 53 000 |
| Skatterådgivning | 0 | 0 |
| Övriga tjänster | 73 000 | 72 000 |
| | **309 000** | **333 000** |

## Not 6 Operationella leasingavtal

| | 2023-04-01 -2024-03-31 | 2022-04-01 -2023-03-31 |
|---|---|---|
| Förfaller till betalning inom ett år | 14 757 739 | 11 711 691 |
| Förfaller till betalning senare än ett men inom 5 år | 20 785 819 | 15 967 388 |
| | **35 543 558** | **27 679 079** |

## Not 7 Anställda och personalkostnader

| | 2023-04-01 -2024-03-31 | 2022-04-01 -2023-03-31 |
|---|---|---|
| **Medelantalet anställda** | | |
| Kvinnor | 22 | 20 |
| Män | 163 | 140 |
| | **185** | **160** |
| | | |
| **Löner och andra ersättningar** | | |
| Styrelse och verkställande direktör | 1 181 553 | 1 919 530 |
| Övriga anställda | 124 225 242 | 102 081 597 |
| | **125 406 795** | **104 001 127** |

Sociala kostnader

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| | | |
|---|---|---|
| Pensionskostnader för styrelse och verkställande direktör | 384 003 | 286 257 |
| Pensionskostnader för övriga anställda | 13 704 175 | 11 328 761 |
| Övriga sociala avgifter enligt lag och avtal | 39 311 094 | 33 372 470 |
| | **53 399 272** | **44 987 488** |

| | | |
|---|---|---|
| **Totala löner, ersättningar, sociala kostnader och pensionskostnader** | **178 806 067** | **148 988 615** |

| | | |
|---|---|---|
| **Könsfördelning bland ledande befattningshavare** | | |
| Andel kvinnor i styrelsen | 0 % | 0 % |
| Andel män i styrelsen | 100 % | 100 % |
| Andel kvinnor bland övriga ledande befattningshavare | 22 % | 17 % |
| Andel män bland övriga ledande befattningshavare | 78 % | 83 % |

## Not 8 Resultat från andelar i koncernföretag

| | **2023-04-01 -2024-03-31** | **2022-04-01 -2023-03-31** |
|---|---|---|
| Nedskrivningar | -13 837 223 | 13 726 314 |
| | **-13 837 223** | **13 726 314** |

## Not 9 Bokslutsdispositioner

| | **2023-04-01 -2024-03-31** | **2022-04-01 -2023-03-31** |
|---|---|---|
| Återföring av periodiseringsfond | 3 980 000 | 1 190 000 |
| Avsättning överavskrivningar | -827 767 | 197 952 |
| | **3 152 233** | **1 387 952** |

## Not 10 Aktuell och uppskjuten skatt

| | **2023-04-01 -2024-03-31** | **2022-04-01 -2023-03-31** |
|---|---|---|
| **Skatt på årets resultat** | | |
| Aktuell skatt | -4 502 915 | -18 475 583 |
| Skatt filialer | -14 092 | 0 |
| **Totalt redovisad skatt** | **-4 517 007** | **-18 475 583** |

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**Avstämning av effektiv skatt**

| | Procent | 2023-04-01 -2024-03-31 Belopp | Procent | 2022-04-01 -2023-03-31 Belopp |
|---|---|---|---|---|
| Redovisat resultat före skatt | | 33 648 575 | | 74 709 525 |
| Skatt enligt gällande skattesats | 20,6 | -6 931 606 | 20,6 | -15 390 162 |
| Ej avdragsgilla kostnader | | 2 575 905 | | -2 995 404 |
| Ej skattepliktiga intäkter | | 7 669 | | 2 529 |
| Skatteeffekt av schablonränta på periodiseringsfond | | -98 700 | | -77 839 |
| Övriga skattemässiga justeringar | | -49 193 | | -14 707 |
| Justering från tidigare år | | -6 990 | | 0 |
| Skatt filialer | | -14 092 | | 0 |
| **Redovisad effektiv skatt** | **13,4** | **-4 517 007** | **24,7** | **-18 475 583** |

## Not 11 Byggnader och mark

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Ingående anskaffningsvärden | 16 085 869 | 16 085 869 |
| Inköp | 0 | 0 |
| Omklassificeringar | 0 | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **16 085 869** | **16 085 869** |
| Ingående avskrivningar | -5 655 444 | -5 048 173 |
| Årets avskrivningar | -605 573 | -607 271 |
| **Utgående ackumulerade avskrivningar** | **-6 261 017** | **-5 655 444** |
| **Utgående redovisat värde** | **9 824 852** | **10 430 425** |
| Taxeringsvärden | **3 641 000** | **3 641 000** |

## Not 12 Inventarier, verktyg och installationer

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Ingående anskaffningsvärden | 28 052 823 | 27 146 556 |
| Inköp | 5 195 796 | 4 184 123 |
| Försäljningar/utrangeringar | -2 222 438 | -3 277 856 |
| **Utgående ackumulerade anskaffningsvärden** | **31 026 181** | **28 052 823** |
| Ingående avskrivningar | -18 096 787 | -17 899 286 |
| Försäljningar/utrangeringar | 2 042 038 | 2 722 508 |
| Årets avskrivningar | -3 635 845 | -2 920 009 |
| **Utgående ackumulerade avskrivningar** | **-19 690 594** | **-18 096 787** |
| **Utgående redovisat värde** | **11 335 587** | **9 956 036** |

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## Not 13 Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Ingående anskaffningsvärden | 29 184 | 0 |
| Inköp | 0 | 29 184 |
| Omklassificeringar | -29 184 | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **0** | **29 184** |
| **Utgående redovisat värde** | **0** | **29 184** |

## Not 14 Andelar i koncernföretag

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Ingående anskaffningsvärden | 9 311 968 | 9 311 968 |
| **Utgående ackumulerade anskaffningsvärden** | **9 311 968** | **9 311 968** |
| Ingående nedskrivningar | -5 961 968 | 0 |
| Återförda nedskrivningar | 5 961 968 | 0 |
| Årets nedskrivningar | 0 | -5 961 968 |
| **Utgående ackumulerade nedskrivningar** | **0** | **-5 961 968** |
| **Utgående redovisat värde** | **9 311 968** | **3 350 000** |

## Not 15 Specifikation andelar i koncernföretag

| Namn | Kapital-andel | Rösträtts-andel | Antal andelar | Bokfört värde |
|---|---|---|---|---|
| Linjemontage Service Nordic AB | 100% | 100% | 102 | 3 350 000 |
| Linjemontage AS | 100% | 100% | 1 000 | 5 961 968 |
| | | | | **9 311 968** |

| | Org.nr | Säte | Justerat eget kapital | Årets resultat |
|---|---|---|---|---|
| Linjemontage Service Nordic AB | 556611-4830 | Grästorp | 37 272 282 | 13 067 167 |
| Linjemontage AS | 995 757 176 | Asker, Norway | -10 261 221 | -3 820 193 |

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## Not 16 Fordringar hos koncernföretag

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Ingående anskaffningsvärden | 7 764 346 | 12 376 635 |
| Tillkommande fordringar | 0 | 7 764 346 |
| Avgående fordringar | -7 764 346 | -12 376 635 |
| **Utgående ackumulerade anskaffningsvärden** | **0** | **7 764 346** |
| | | |
| Ingående nedskrivningar | -7 764 346 | 0 |
| Återförda nedskrivningar | 7 764 346 | 0 |
| Årets nedskrivningar | 0 | -7 764 346 |
| **Utgående ackumulerade nedskrivningar** | **0** | **-7 764 346** |
| | | |
| **Utgående redovisat värde** | **0** | **0** |

## Not 17 Fordringar hos intresseföretag och gemensamt styrda företag

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Tillkommande fordringar | 746 321 | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **746 321** | **0** |
| | | |
| **Utgående redovisat värde** | **746 321** | **0** |

## Not 18 Andra långfristiga fordringar

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Ingående anskaffningsvärden | 273 163 | 0 |
| Tillkommande fordringar | 55 896 250 | 273 163 |
| **Utgående ackumulerade anskaffningsvärden** | **56 169 413** | **273 163** |
| | | |
| **Utgående redovisat värde** | **56 169 413** | **273 163** |

## Not 19 Kundfakturakredit

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Kundfakturakredit | 60 000 000 | 60 000 000 |
| Utnyttjad kredit uppgår till | 0 | 0 |
| | **60 000 000** | **60 000 000** |

## Not 20 Upparbetade ej fakturerade intäkter

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Upparbetade intäkter | 1 049 324 691 | 620 820 266 |
| Fakturerade intäkter | -849 482 298 | -509 624 668 |
| | **199 842 393** | **111 195 598** |

20241008066646

## Not 21 Förutbetalda kostnader och upplupna intäkter

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Förutbetalda hyror och leasingavgifter | 3 592 739 | 3 075 634 |
| Förutbetalda försäkringspremier | 2 082 731 | 1 357 599 |
| Övriga poster | 4 326 694 | 2 576 050 |
| | **10 002 164** | **7 009 283** |

## Not 22 Checkräkningskredit

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Beviljat belopp på checkräkningskredit uppgår till | 30 000 000 | 30 000 000 |
| Utnyttjad kredit uppgår till | 0 | 0 |

## Not 23 Antal aktier och kvotvärde

| **Namn** | **Antal aktier** | **Kvot-värde** |
|---|---|---|
| Antal aktier | 2 000 | 100 |

## Not 24 Obeskattade reserver

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Ackumulerade överavskrivningar | 2 975 227 | 2 147 460 |
| Periodiseringsfond 2017 | 0 | 3 980 000 |
| Periodiseringsfond 2018 | 4 603 310 | 4 603 310 |
| Periodiseringsfond 2020 | 9 704 000 | 9 704 000 |
| | **17 282 537** | **20 434 770** |
| Skatteeffekt av schablonränta på periodiseringsfond | 98 700 | 77 839 |

## Not 25 Avsättningar

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| **Uppskjuten skatteskuld** | | |
| Belopp vid årets ingång | 53 717 | 53 717 |
| | **53 717** | **53 717** |
| **Specifikation övriga avsättningar** | | |
| Garantiåtaganden | 681 741 | 453 152 |
| | **681 741** | **453 152** |

20241008066447

## Not 26 Fakturerade ej upparbetade intäkter

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Fakturerade intäkter | 927 443 016 | 1 520 524 164 |
| Upparbetade intäkter | -711 639 875 | -1 422 260 835 |
| | **215 803 141** | **98 263 329** |

## Not 27 Upplupna kostnader och förutbetalda intäkter

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Tillkommande poster i vinstavräknade projekt | 432 720 | 1 180 261 |
| Personalrelaterade poster | 33 850 951 | 33 607 073 |
| Övriga poster | 1 112 666 | 688 298 |
| | **35 396 337** | **35 475 632** |

## Not 28 Justering för poster som inte ingår i kassaflödet

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Avskrivningar | 4 241 418 | 3 527 280 |
| Vinst vid försäljning av anläggningstillgångar | -913 248 | -284 083 |
| Förlust vid försäljning och utrangering av anläggningstillgångar | 32 644 | 71 431 |
| Förändring garantiavsättning | 228 589 | -749 835 |
| Kundförlust | 0 | 0 |
| | **3 589 403** | **2 564 793** |

## Not 29 Likvida medel

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Banktillgodohavanden | 3 390 164 | 2 788 179 |
| Checkräkningskredit | 96 874 292 | 123 567 825 |
| | **100 264 456** | **126 356 004** |

## Not 30 Uppgifter om moderföretag

Moderföretag i den största koncern där företaget ingår och som upprättar koncernredovisning är Kalpataru Projects International Limited (tidigare Kalpataru Power Transmission Limited) med organisationsnummer L40100GJ1981PLC004281 med säte i Gandhinagar, Indien. Årsredovisningen finns att hämta på https://kalpataruprojects.com

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## Not 31 Eventualförpliktelser

Obegränsad borgen har lämnats för Linjemontage Service Nordic AB vars kreditsaldo på balansdagen uppgick till 2.000.000 kr.

Bolaget har också ställt en kapitaltäckningsgaranti till dotterbolaget Linjemontage AS, begränsad till 11.000.000 kr.

## Not 32 Ställda säkerheter

| | 2024-03-31 | 2023-03-31 |
|---|---|---|
| Företagsinteckning | 56 000 000 | 56 000 000 |
| Fastighetsinteckning | 5 250 000 | 5 250 000 |
| | **61 250 000** | **61 250 000** |

## Not 33 Disposition av vinst eller förlust

| | 2024-03-31 |
|---|---|
| **Förslag till vinstdisposition** | |
| Styrelsen föreslår att till förfogande stående vinstmedel: | |
| balanserad vinst | 137 071 783 |
| årets vinst | 29 131 569 |
| | **166 203 352** |
| | |
| disponeras så att | |
| i ny räkning överföres | 166 203 352 |

20241008066449

## Not 34 Väsentliga händelser efter räkenskapsårets slut

Den ekonomiska oron i världen fortsätter att påverka bolagets verksamhet.

På grund av osäkerheten kring tidsaspekter, framtida politiska beslut och människors och företags beteenden går det i dagsläget inte att kvantifiera dessa omvärldsfaktorers totala påverkan på verksamheten. Den bästa bedömning som kan göras nu är att de framtida effekterna på bolaget är begränsade samt att vår förväntade omsättning kommer att nås.

Grästorp 20 september 2024

Ramesh Bhootra
Styrelsens Ordförande

Anders Åkerberg
Verkställande Direktör

Ram Patodia

Hitesh Kumbhat

Vår revisionsberättelse har lämnats 30 september 2024.
Grant Thornton Sweden AB

Karin Eriksson
Auktoriserad revisor

Härmed intygas att kopia överensstämmer med original

Sofia Backström
Sofia Backström
0514-54730

20241008066650

# Revisionsberättelse

Till bolagsstämman i Linjemontage i Grästorp Aktiebolag

Org.nr. 556464 - 7575

## Rapport om årsredovisningen

### Uttalanden

Vi har utfört en revision av årsredovisningen för Linjemontage i Grästorp Aktiebolag för räkenskapsåret 2023-04-01 - 2024-03-31 med undantag för hållbarhetsrapporten på sidorna 2 - 6.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Linjemontage i Grästorp Aktiebolags finansiella ställning per den 31 mars 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Våra uttalanden omfattar inte hållbarhetsrapporten på sidorna 2 - 6.Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

### Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Linjemontage i Grästorp Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

### Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om

20241008065

årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

## Rapport om andra krav enligt lagar och andra författningar

### Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Linjemontage i Grästorp Aktiebolag för räkenskapsåret 2023-04-01 - 2024-03-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

### Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Linjemontage i Grästorp Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

### Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet.

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

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**Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten**

Det är styrelsen som har ansvaret för hållbarhetsrapporten på sidorna 2 - 6 och för att den är upprättad i enlighet med årsredovisningslagen.

Vår granskning har skett enligt FAR:s rekommendation RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

En hållbarhetsrapport har upprättats.

Göteborg 2024 - 09-30
Grant Thornton Sweden AB

Karin Eriksson
Auktoriserad revisor

Härmed intygas att kopia överensstämmer med original

Sofia Backström
0514-59730

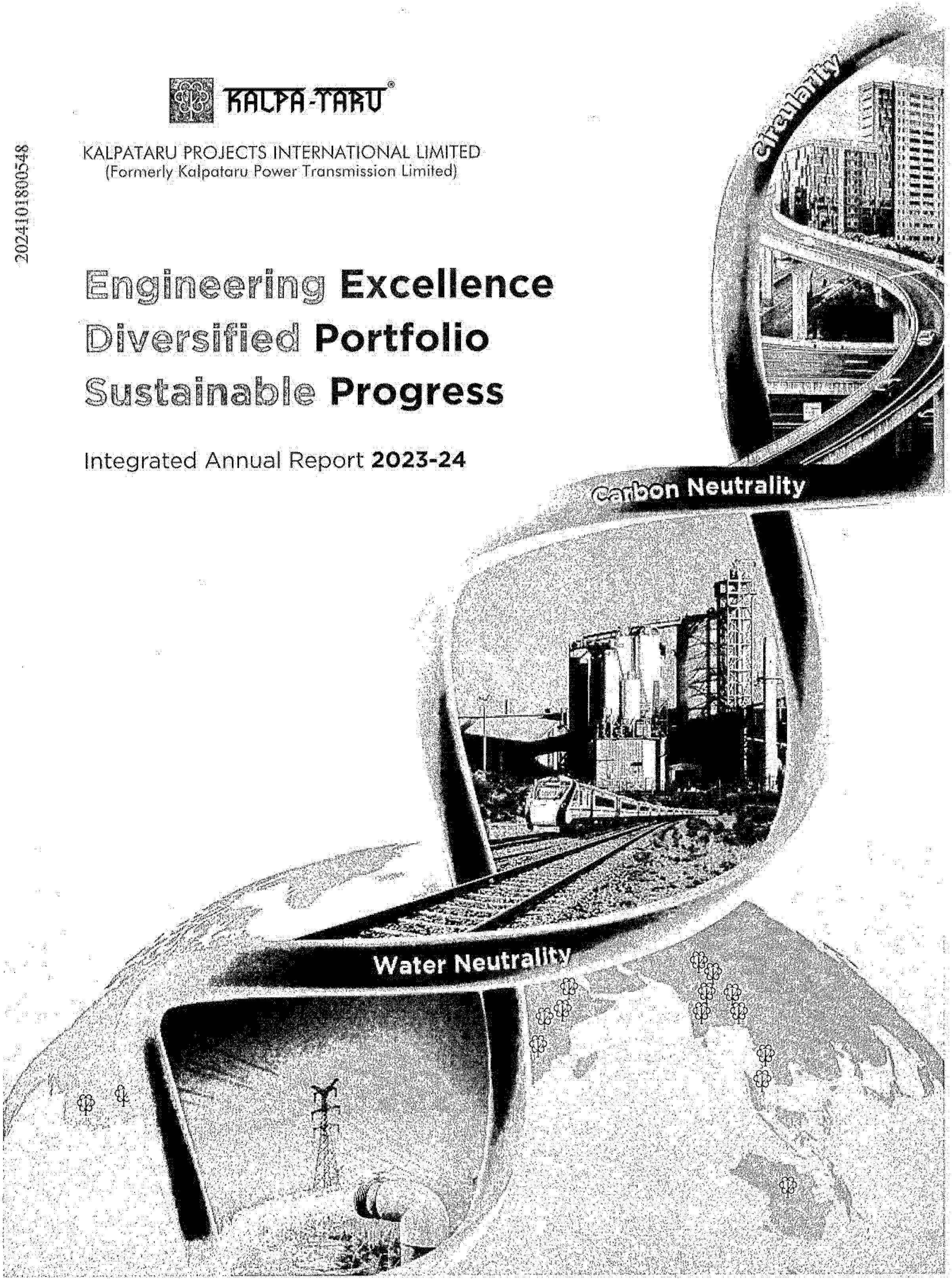
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KALPA-TARU®

KALPATARU PROJECTS INTERNATIONAL LIMITED
(Formerly Kalpataru Power Transmission Limited)

# Engineering **Excellence**
# Diversified **Portfolio**
# Sustainable **Progress**

Integrated Annual Report **2023-24**



## Critical Insights

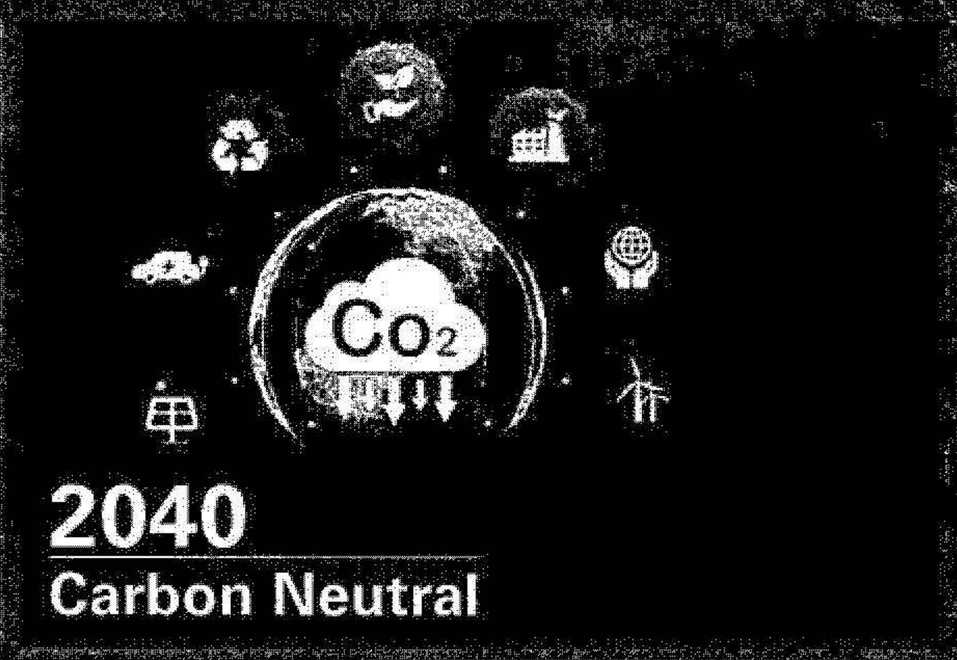


Countries footprint

**73**

Annual consolidated revenue

**USD 2.4 Billion**




**2040**
Carbon Neutral



**2035**
Circular Economy

Order book value

**USD 7 Billion**



Nationalities of workforce
(including subsidiaries)

**29**

Market capitalisation

**USD 2.4 Billion**

**Achieved Carbon Neutrality**

For T&D International Electrical Business



Workforce worldwide including subsidiaries
(employees and contractual)

**24,000 +**

**2032**
Water Neutral

Projects under execution*

**250+**

Credit rating

**AA/Stable**

*Scope 1 and scope 2 emissions, for FY22-23 (excluding South Asia)

# About the Report

## Our reporting suites

Kalpataru Projects International Limited (formerly Kalpataru Power Transmission Limited), herein referred to as the 'organisation' or 'company' or 'we' or 'us' or 'our', is pleased to announce the release of its Integrated Report for the fiscal year 2023-24. This report has been developed in accordance with the guidelines provided by the International Integrated Framework, prescribed by the International Integrated Reporting Council (now known as the Value Reporting Foundation).

## Approach to reporting

Integrated Reports typically aim to provide a comprehensive and holistic view of an organisation's performance and value creation, incorporating both financial and non-financial information. This can include information on a company's strategy, governance, environmental and social impact, risks and opportunities and more.

This Integrated Report aims to transparently convey KPIL's value creation story to all its stakeholders. This report discloses the Company's objectives and matters that are materially important for both financial and non-financial matters, as well as the strategy and action plan for sustainable and inclusive development.

## Reporting frameworks and guidelines

The Integrated Report of FY 2023-24 has been developed in line with the following:

- Global Reporting Initiative Standards, 2021
- Business Responsibility and Sustainability Reporting (BRSR) based on the National Guidelines for Responsible Business Conduct (NGRBC)
- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Global Compact (UNGC)
- The Companies Act, 2013 (Ministry of Corporate Affairs, India)
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

## Reporting period and cycle

| | |
|---|---|
| **Reporting Period** | FY2024 (1st April, 2023 - 31st March, 2024) |
| **Reporting Cycle** | Annual |

## Queries regarding the report

Your valuable input is critical to the ongoing improvement of our reporting journey. Please share your thoughts with InvestorRelations@kalpataruprojects.com

## Our Capitals

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Natural capital
- Social and Relationship Capital

Scan above QR code to see this report online

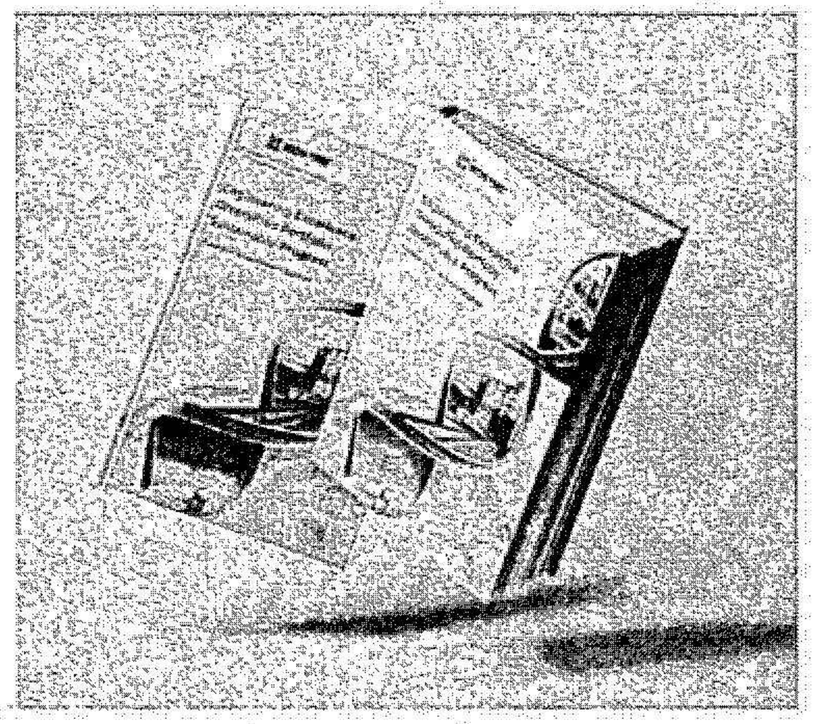
You can also find this report online on: **https://kalpataruprojects.com/investors/financials/annual-reports/annual-reports**

**Disclaimer:**

This document contains statements about expected future events and financials of Kalpataru Projects International Limited (Formerly Kalpataru Power Transmission Limited), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

## Investor Information

| | |
|---|---|
| Market Capitalisation as at 31st March, 2024 | USD 2.4 billion |
| CIN | L40100GJ1981PLC004281 |
| BSE Code | 522287 |
| NSE Symbol | KPIL |
| Bloomberg Code | KPIL:IN |
| AGM Date | 15th July, 2024 |



## Cover page design rationale

The DNA-like structure on the cover represents our three pillars of success: engineering excellence, diversified portfolio and sustainable progress. Embedded within the DNA strands are images illustrating KPIL's key business sectors: Power Transmission and Distribution, Water, Urban Infrastructure, Buildings and Factories, Oil and Gas, and Railways. Additionally, our commitment towards sustainability is also intricately woven into our DNA. The colours used on the cover, blue and green, hold great significance as well. While blue aligns with our company's brand colour, green represents our commitment to sustainable practices. The globe in the backdrop depicts our expansive footprint, a testament to our rich legacy spanning various countries.

# Inside the report


## 04-121

### CORPORATE OVERVIEW

**ENGINEERING EXCELLENCE**

- Engineered to Excel 08
- Geographical presence 10
- Milestones 12
- Chairman's message 14
- MD and CEO's message 16
- Financial highlights 20
- Board of Directors 22
- Key Management 25
- Awards and Recognition 26

**DIVERSIFIED PORTFOLIO**

- Diversed Portfolio 30
- Growth Drivers aligned to global trends 32
- Power Transmission and Distribution 34
- Buildings and Factories 38
- Water 42
- Oil and Gas 44
- Urban Infrastructure 46
- Railways 49
- Biomass Plants 51

**SUSTAINABLE PROGRESS**

- Our Value Creation Model 54
- Stakeholder Engagement 56
- Materiality 58
- ESG Approach 60
- Impact created by KPIL 62
- Financial Capital 66
- Manufactured Capital 72
- Intellectual Capital 82
- Human Capital 88
- Social and Relationship Capital 100
- Natural Capital 110

## 122-143

### MANAGEMENT REPORTS

- Management Discussion and Analysis 123

## 144-243

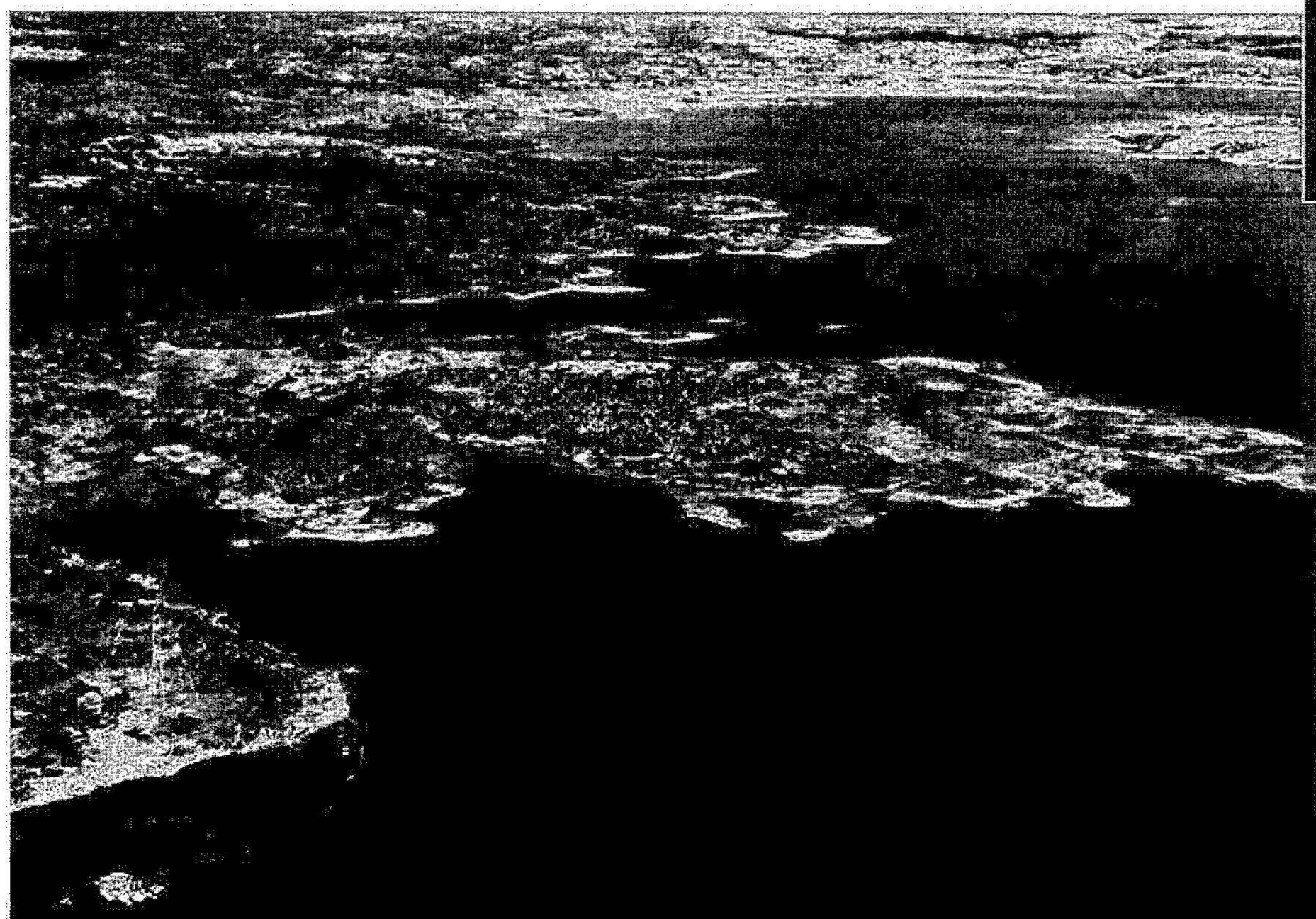
### STATUTORY REPORTS

- Board's Report 144
- Report on Corporate Governance 167
- Business Responsibility and Sustainability Report 194

## 244-389

### FINANCIAL STATEMENTS

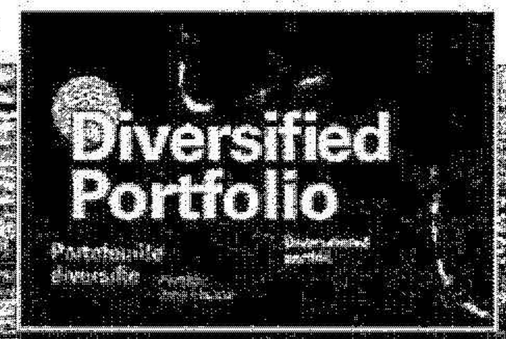
- Standalone Financial Statements 244
- Consolidated Financial Statements 319






"Engineered to Excel" and "Excellence in Engineering", are the cornerstones of the company's success. KPIL's commitment to being engineered to excel drives it to continuously improve its processes, embrace sustainable practices, and exceed client expectations. Similarly, engineering excellence is demonstrated through the company's ability to design and implement complex infrastructure projects with precision and efficiency, using cutting-edge technology and highly skilled professionals. This dual focus has positioned the company as a leader in the EPC industry.

This section of the report delves into KPIL's best practices that have set the company apart in the industry.




**A Diversified portfolio** with footprint spanning 73 countries, underscores the company's strategic agility and adaptability in navigating diverse markets, sectors, and geographies. KPIL has strategically expanded its portfolio to encompass a wide range of industries, including Power Transmission and Distribution, Buildings and Factories, Water Supply and Irrigation, Railways, Oil and Gas Pipelines, Urban Mobility (Flyovers and Metro Rail), Highways, Airports, and renewable energy sources such as Solar. By diversifying its offerings, the company has mitigated risks, capitalised on emerging opportunities, and maintained a competitive edge in an ever-evolving market landscape.

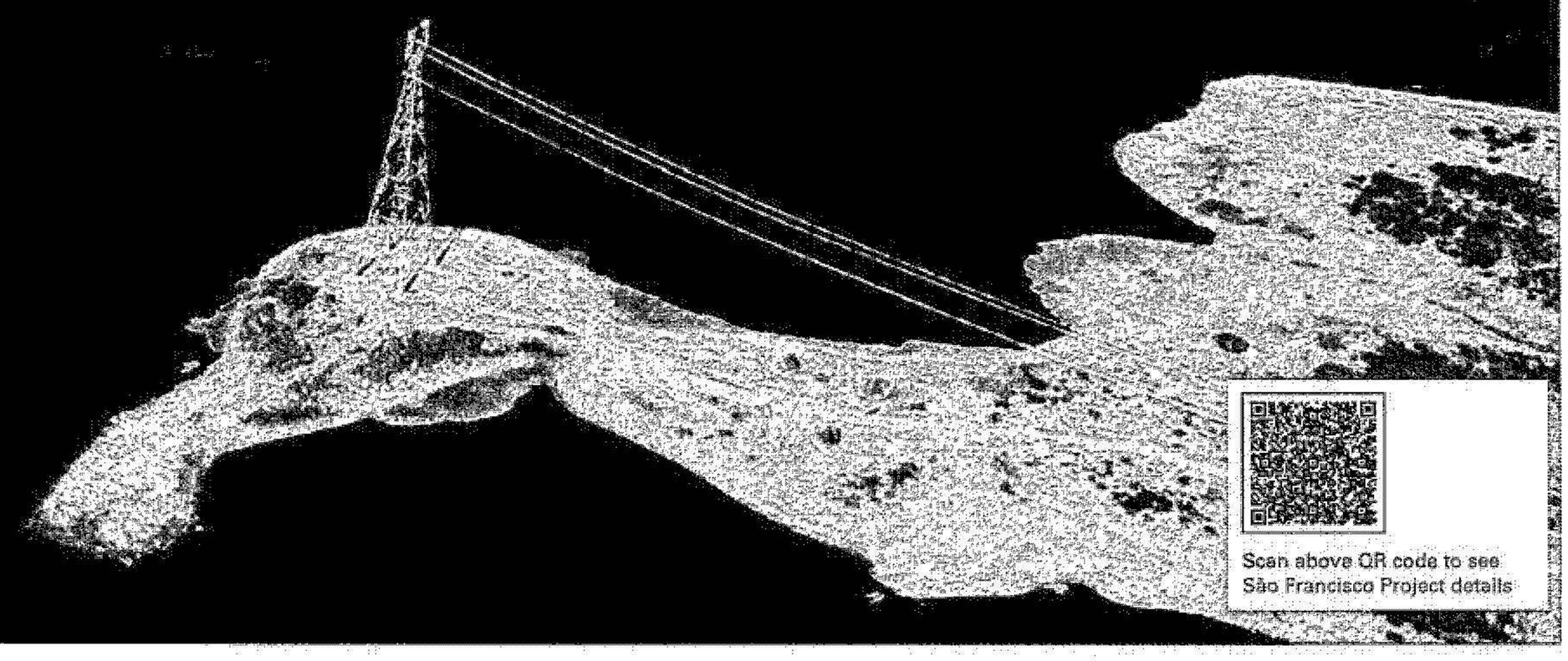
This section explores the company's diversified portfolio strategy, highlighting notable projects across various businesses.




**Sustainable progress** lies at the heart of KPIL's long-term vision, reflecting a commitment to environmental stewardship, social responsibility, human capital development and ethical business practices. Recognising the interconnectedness of economic growth and environmental conservation, the company announced its sustainability goals in FY24: achieving Carbon Neutrality by 2040, Water Neutrality by 2032, and Circularity by 2035. KPIL integrates sustainability principles into its operations, minimising environmental impact, promoting inclusivity, and fostering positive social outcomes in the communities it serves.

This section examines the company's commitment to sustainable progress, highlighting its achievements, initiatives, and partnerships aimed at driving positive environmental and social impact.

**Kalpataru Projects International Limited (KPIL) is a leading global engineering and construction company listed in India. Through a combination of a rich legacy, relentless pursuit of quality, cutting-edge technology, and a future-forward focus, the company has consistently delivered world-class engineering solutions to its clients. This report explores the three strategic imperatives of KPIL: Engineering Excellence, Diversified Portfolio, and Sustainable Progress - each of which drives the company towards continual success and growth.**



Scan above QR code to see São Francisco Project details

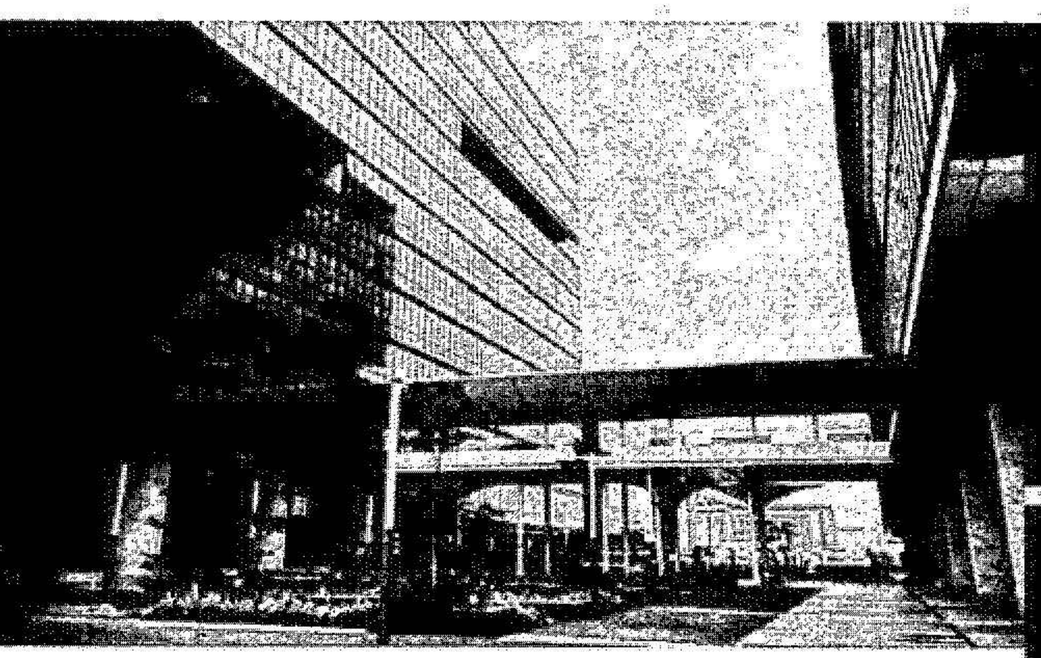

Engineering
Excellence
Teknik
Förträfflighet
Excelência em
Engenharia
Excellence
en ingénierie

# Engineered to Excel

## Rich Legacy

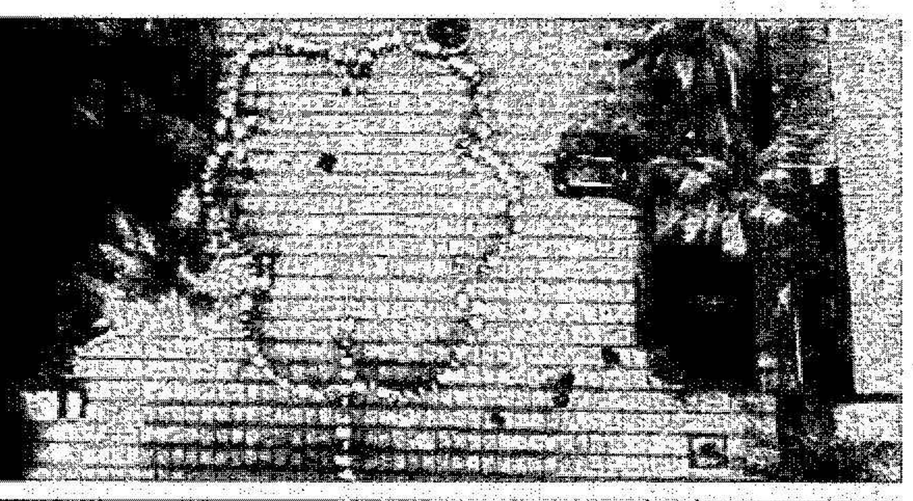
Since our inception in 1981, KPIL has been committed to creating sustainable value for diverse stakeholders. Our expertise in delivering new-age EPC solutions, technical prowess, advanced design and testing facilities and a footprint in over 73 countries, enable us to consistently deliver tailored solutions to our marquee clientele. Currently, we are executing more than 250 projects in over 30 countries. Our presence in Sweden and Brazil has been strengthened by the acquisitions of Linjemontage in Sweden and Fasttel in Brazil. Our key international EPC subsidiaries are Linjemontage, Fasttel and Kalpataru Power Chile SpA.

*For more details refer to page 10 to 13*



## The KPIL Values

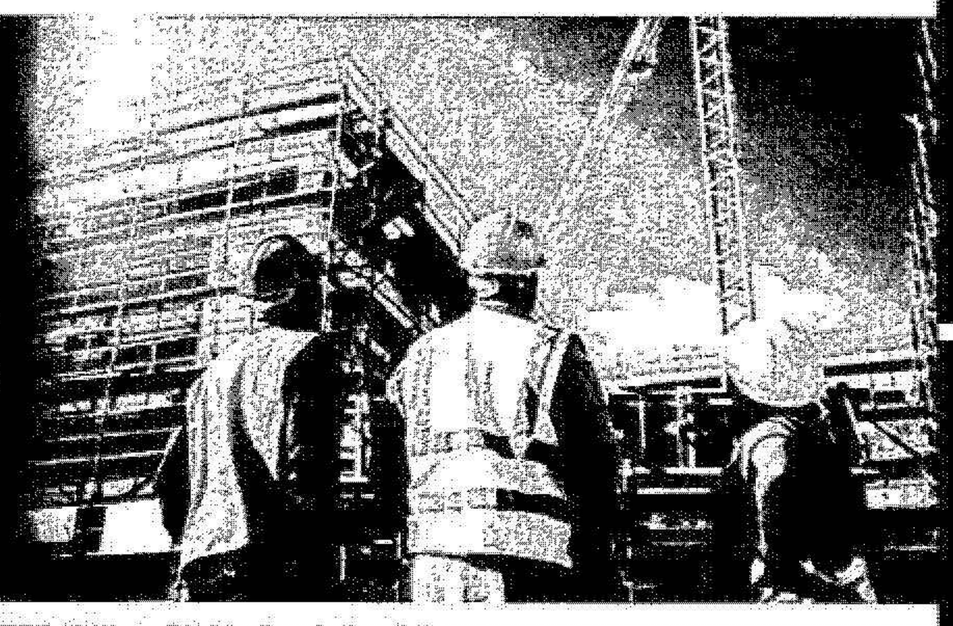
At the heart of our endeavours are the six KPIL values that guide our decisions and operations. Our Values of Respect, Pride, Quality, Teamwork, Business Ethics and Customer Centricity are the principles that shape every decision we make, every action we take, and every interaction we have, both within our team and with our clients.



## Precision Engineering

Carrying forward our legacy of precision engineering,we have a robust order book of ₹ 58,415 crores across diverse geographies and varied terrains. It gives us the confidence to traverse conventional boundaries and explore opportunities encompassing a diverse spectrum of projects. With a thrust on the Design and Build portfolio, we have undertaken projects in new areas covering airports, underground metro, data centres and industrial plants. It has not only resulted in steady order book growth but has also helped us enhance the scale of our operations and create a formidable business model.

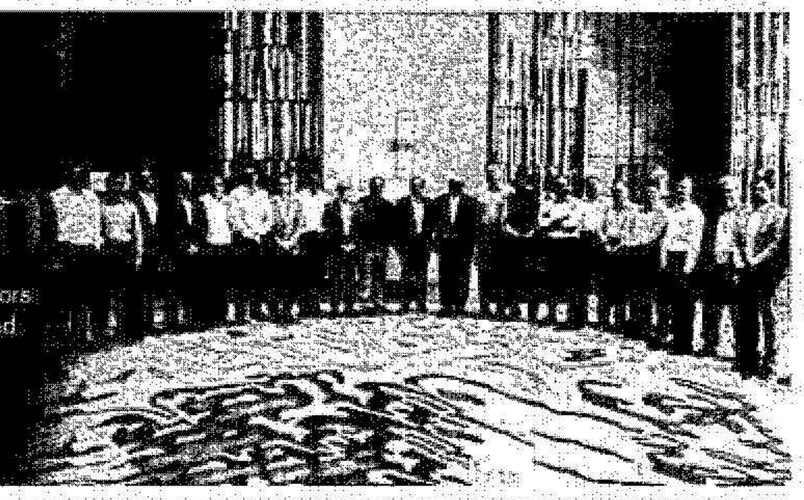
*For more details refer to page 72 to 81*



## Experienced team

Our team's expertise enables us to successfully deliver complex, one-of-a-kind projects, establishing KPIL as a trusted construction partner worldwide. With a robust workforce of over 24,000 representing 29 nationalities, along with our experienced and dynamic board of directors and key management personnel who bring a wealth of knowledge and vast experience to the organisation, this collective prowess further solidifies KPIL's reputation as one of the premier EPC companies to collaborate with, ensuring successful project outcomes.

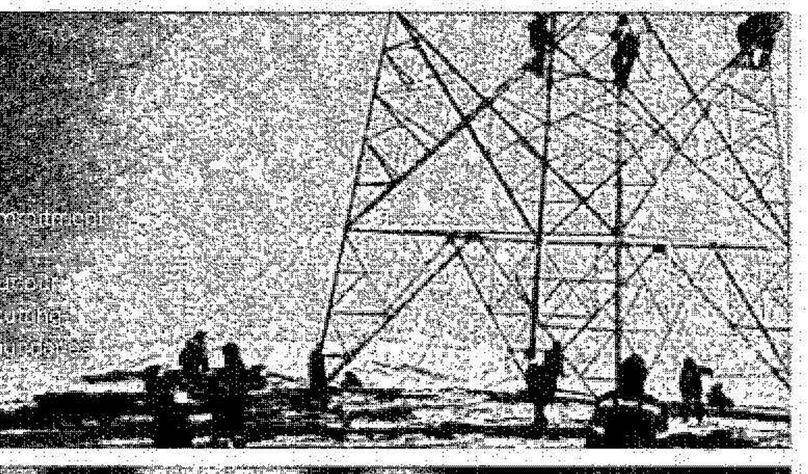
*For more details refer to page 22 to 25*



## Operational Excellence

Our dedication to operational excellence is not just a strategy; it's a commitment to delivering the highest quality projects while maintaining the utmost safety standards. We have embedded a culture of innovation throughout our organisation, leveraging the full potential of digital advancements and cutting-edge technologies to enhance productivity while also redefining the boundaries of achievement within the EPC industry.

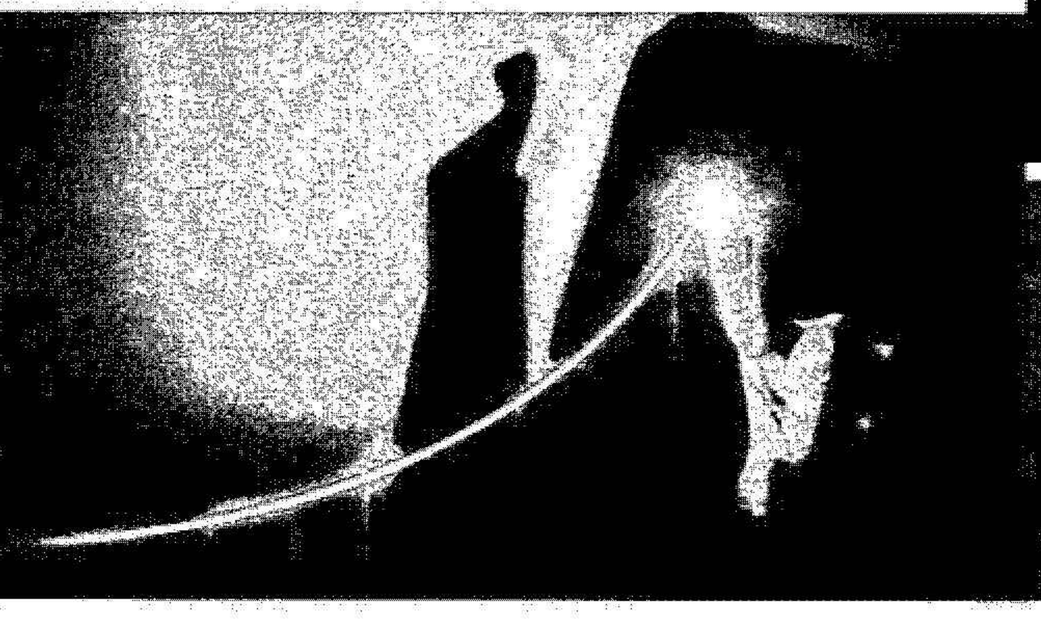
*For more details refer to page 30 to 51*



## Strong Financials

In FY24, the company achieved its highest-ever revenue and EBITDA of ₹19,626 crores and ₹1,628 crores, respectively. This success was driven by strong execution and a diversified business mix. The company also secured a new all-time high order book of ₹58,415 crores as of 31st March 2024, marking a 27% increase from the previous year. The company has actively managed its debt and net working capital, leading to improved operating cash flows.

*For more details refer to page 20, 21 and page 66 to 71*



## Planet First

Integrating engineering prowess with environmental best practices is our mission. Our commitment to sustainability, embodied by goals such as carbon neutrality, water neutrality, and circularity, lies at the heart of our daily operations. We take pride in announcing that our Transmission and Distribution - International business achieved carbon neutrality for FY22-23.

*For more details refer to page 54 to 65 and 110 to 121*



**Geographic presence**

# Expanding our reach

## Key International Subsidiaries

- Linjemontage in Sweden
- Fasttel Engenharia in Brazil
- Kalpataru Power Chile SpA in Chile

### Linjemontage I Grastorp AB

Incorporated in 1993, the Company offers power supply solutions and services for electricity networks up to 400 kV. It operates in three core business areas: substations, transmission and distribution works and electricity network services. KPIL holds a 100% stake in Linjemontage through its wholly owned subsidiary, Kalpataru Power Transmission Sweden AB, with presence in Sweden and Norway.

### Fasttel Engenharia S.A.

Fasttel Engenharia S.A. was incorporated in 1983 and is headquartered in Curitiba, Brazil. The Company's primary business areas include the EPC of substations, transmission lines and power distribution services. Fasttel has a presence in more than 20 states across Brazil, having built over 3,000 km of transmission line and 60 substations of various voltage ranges up to 750 kV. KPIL holds a 100% stake in Fasttel Engenharia S.A. through its wholly owned subsidiary, Kalpataru Power Do Brasil Participacoes Ltda.

### Kalpataru Power Transmission Chile SpA (KPCSA)

KPCSA is a wholly owned subsidiary of the Company in Chile, currently holding two awarded contracts: (i) HDVC Transmission Line and (ii) LA Negra New Sectioning Substation, for 220 kV. The HDVC Transmission Line project is progressing with most of its Design & Engineering and documentation stages. The LA Negra New Sectioning Substation project for 220 kV is nearing physical completion.







**11 Countries** — Americas

**29 Countries** — Africa

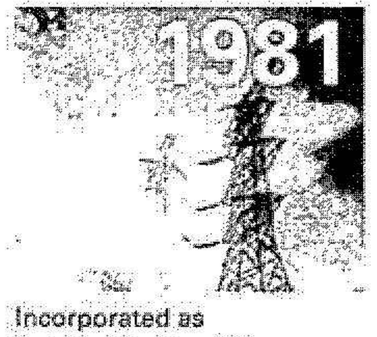
**9 Countries** — Middle East

**18 Countries** — Asia Pacific

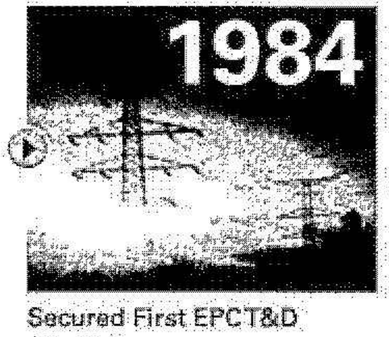
**6 Countries** — Europe

**Milestones**

# A journey of sustainable growth



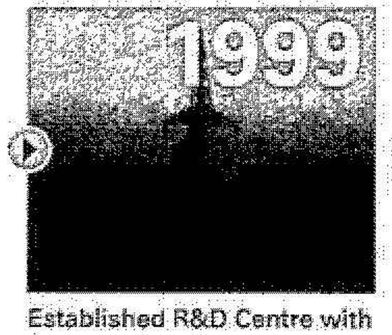

Incorporated as HT Power Structures



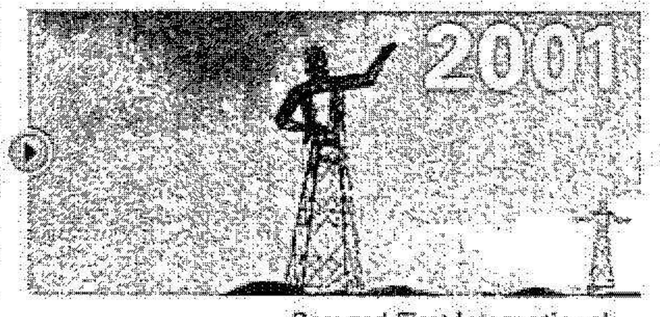

Secured First EPCT&D Contract



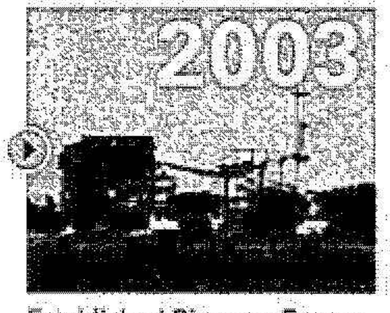

The company listed in Indian Stock Exchanges



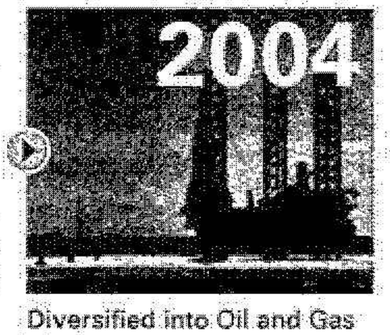

Established R&D Centre with facility to test towers up to 800kV at Gandhinagar



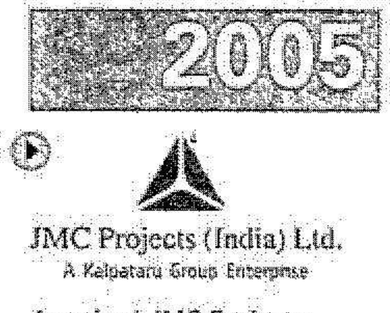

Secured First International T&D Turnkey Contract




Established Biomass Energy Plant in Rajasthan



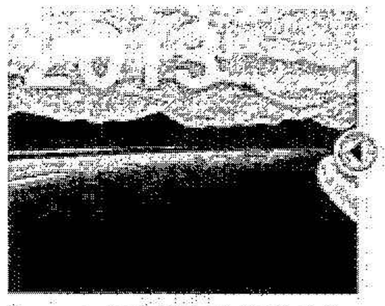

Diversified into Oil and Gas Business



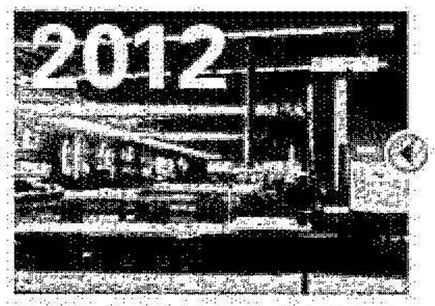

Acquired JMC Projects (India) Ltd.



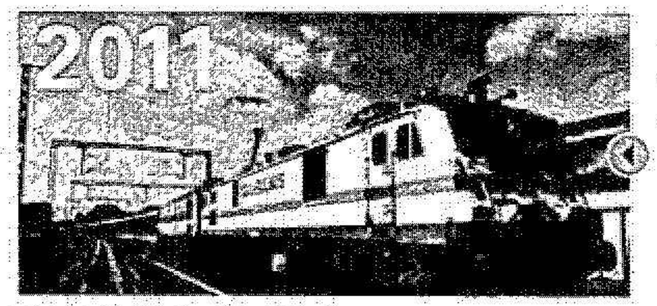

Diversified into Water Business



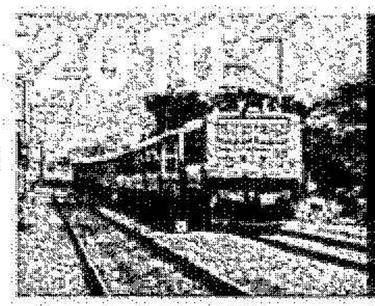

Secured First International Highway Project



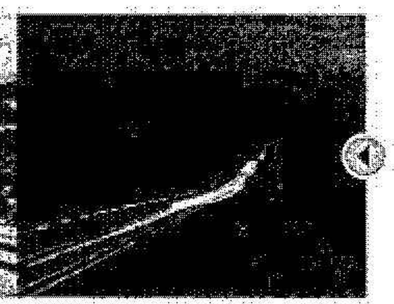

Established New Manufacturing Plant at Raipur



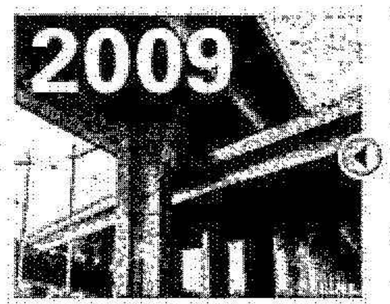

Secured First International Railway Project




Diversified into Railway Business



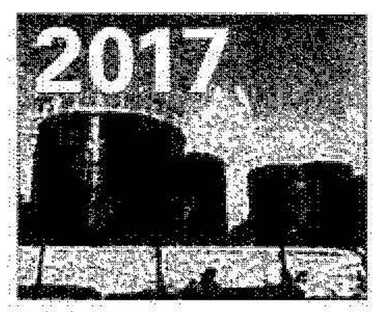
Secured Highway BOT Projects




Diversified into Urban Infrastructure Business




Acquired Shree Shubham Logistics



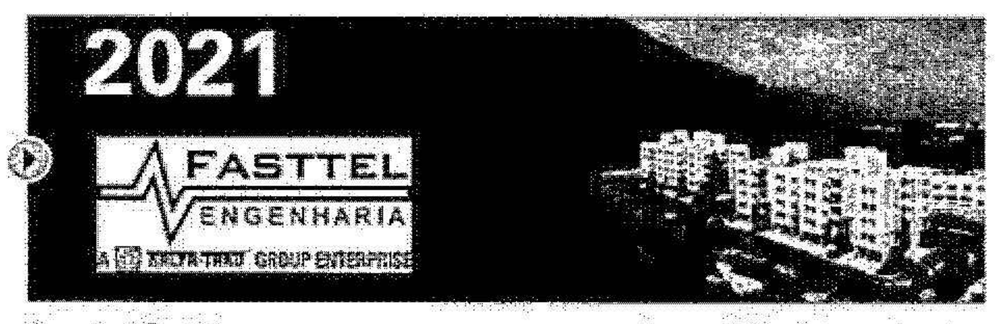

Secured First International Water Project




Established Global Footprint in over 50 Countries

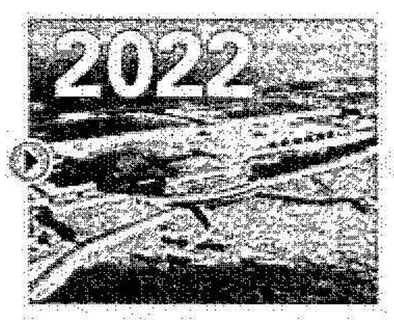



Acquired Linjemontage, Sweden

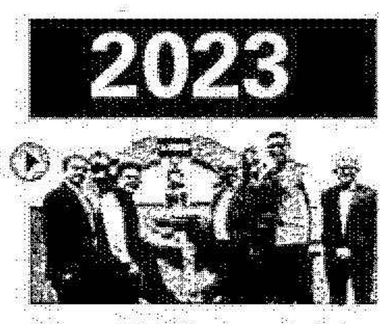



Acquired Fasttel, Brazil

Secured First International Building Project




Secured First International Airport Project




Merged JMC Projects (India) Ltd. with Kalpataru Power Transmission Ltd and renamed as Kalpataru Projects International Ltd (KPIL)

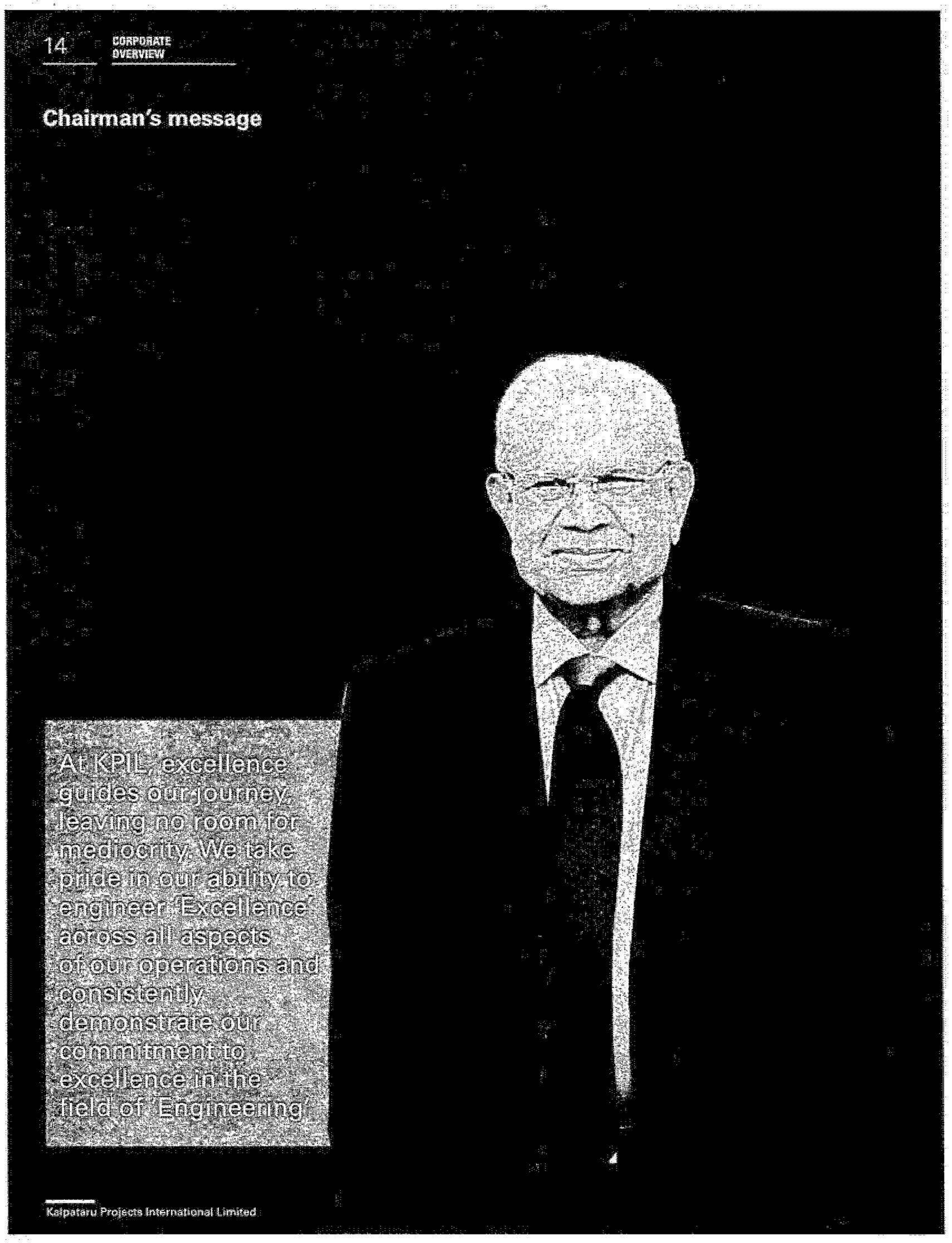
KPIL emerged as one of the Top 3 EPC Companies listed in India




Ventured into underground tunnelling

Secured a large Oil and Gas pipeline order from Saudi Arabia energy major, Aramco worth over US$ 900 million

# Chairman's message






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**Dear and Esteemed Fellow Shareholders,**

It is with immense pride that I present to you the 43rd Annual Report of our Company, KPIL. FY24 marked a crucial milestone for us, solidifying the foundation of the merged entity for robust and sustainable performance in the years to come. Despite the challenges posed by market volatility, our journey of growth and value creation persisted unabated throughout fiscal year 2024.

I extend my heartfelt gratitude to each of you for your trust and support in KPIL. Your continued confidence inspires us to strive for excellence and has enabled us to grow into a formidable force in the engineering and construction industry, establishing ourselves as one of the leading global EPC players.

## Company performance in FY24

If there is a predominant theme that defines our current world, it is one of pervasive uncertainty. The global economy in 2023-24 has exhibited a complex landscape, oscillating between uncertainty and recovery. While some regions have shown signs of economic rebound post-pandemic, persistent challenges such as inflationary pressures, geopolitical tensions, and supply chain disruptions continue to impact growth.

Despite these challenges, KPIL continued its growth trajectory in FY2024, delivering robust performance. The strategic amalgamation of JMC Projects (India) Ltd with the company has significantly strengthened KPIL's position in six high-growth sectors, establishing it as one of the most valuable brands in the EPC industry, with an all-time high order book of ₹58,415 crores.

In FY24, the company achieved its highest-ever Consolidated Revenue and EBITDA of ₹19,626 crores and ₹1,628 crores, respectively, highlighting the effectiveness of our execution strategies and the strength of our diverse business portfolio. Despite rising costs, we have maintained high-quality earnings, achieving an impressive EBITDA margin of 8.3%. We have seen a 19% surge in secured orders compared to the previous fiscal year, amounting to a notable ₹30,022 crores as of 31st March, 2024. This growth is attributed to our strategic orders of large-scale projects in diverse sectors such as Oil & Gas, underground metro tunneling, data centers, design-build Building & Factory projects, and Transmission & Distribution projects, spanning both domestic and international markets.

These achievements underline our commitment to enhancing execution capabilities, building a resilient and diversified business portfolio, and strengthening our market position in high-growth EPC sectors. Despite a 20% growth in revenue, our company has maintained stable net debt at ₹2,591 crores, primarily due to efficient working capital management and improved operating cash flows.

I am also pleased to announce that, in line with our commitment to delivering value to our shareholders, we have proposed a dividend of ₹8 per share, resulting in a dividend payout ratio of ~26% for FY24.

## Engineering Excellence

At KPIL, excellence guides our journey, leaving no room for mediocrity. As an organisation, we take pride in our ability to engineer 'Excellence' across all aspects of our operations and consistently demonstrate our commitment to excellence in the field of 'Engineering'. We consistently aim for top quality, precision, and innovation in all our projects, ensuring we exceed client expectations with the highest safety and efficiency standards.

In this age of advanced digital technologies, we are committed to continually transforming KPIL into an organisation that fully realizes human-machine synergies. By fundamentally rethinking design and automating routine tasks, we strive to achieve the optimal balance between people, technology, and processes.

To further our mission, we are setting up a Design Centre of Excellence to enhance our engineering capabilities and solidify our position as leaders in delivering efficient and safe solutions.

## Roadmap for Responsible Growth

At the core of our operations is our commitment to shaping a more sustainable future and building a better world for generations to come. We are wholeheartedly dedicated to catalysing positive change in our industry by prioritising sustainability across all facets of our operations.

Our transformative journey focuses on achieving carbon neutrality by 2040, water neutrality by 2032, and a circular economy by 2035. These ambitious goals will serve as a roadmap for responsible growth. Through innovative practices, green technologies, and responsible resource management, we will lead the way towards a more sustainable future, one project at a time.

## People-first Culture

Our people-first culture - investing in talent while expanding our global workforce to seize market opportunities - is integral to our approach. As a company, we believe in growing together as a family, with our employees as our most valuable assets. Their determination to uphold the integrity of our organisation at all times and foster a spirit of teamwork highlights that we are united by a common vision. It is this collective sense of purpose that fuels our drive to excel in all our endeavours. My heartfelt gratitude to all our employees worldwide for their invaluable contributions to the organisation.

## In closing

I extend my sincere appreciation to the Board of Directors for their continued guidance and wisdom. I also seize this opportunity to express my gratitude to every stakeholder of KPIL who has played a pivotal role in our success and believed in our value proposition. To our esteemed shareholders, investors, administrative authorities, valued customers, supportive lenders, and trusted vendors—each of you is integral to KPIL, and our journey would be incomplete without your support.

Our journey towards becoming the leading global EPC major is on course, and I have utmost confidence in our leadership team to actualise this vision.

With best wishes,

**Mofatraj P. Munot**
Chairman, Kalpataru Group

# MD and CEO's message








**Dear Shareholders,**

Thank you for the trust and confidence you have placed in KPIL. As we reflect on the past year, I am both grateful and proud of what we have achieved as a team.

**Lasting Progress, Enduring Growth**

I am happy to report that KPIL continued to benefit from its leadership position and brand value despite the challenging global economic and geopolitical environment. Your company continues to build a high-performance culture with purpose and remains committed to the fundamentals that underpin its sustained success robust risk management, operational excellence, timely delivery, quality, and employee welfare.

If there is an overarching theme that best defines KPIL's journey in FY24, it is the triad of 3 S's Skill, Scale, and Speed, driving sustainable growth Skill The increasing share of Design and Build projects in our Order Book highlights the company's growing engineering capabilities. Scale Our project portfolio is expanding in both the size of projects and the diversification of our offerings Speed The record number of project completions and the reduction in average project duration reflect our enhanced organisational efficiency.

The triad of Skill, Scale, and Speed has been seamlessly integrated with ethical sustainability to pave the way for a brighter tomorrow. Your company's commitment to sustainable practices entered a new phase in 2023 with the announcement of aspirational environmental goals. I am pleased to share that our T&D International Electrical Business (excluding South Asia) has achieved carbon-neutral status for scopes 1 & 2 (FY22-23).

During the year under review, we implemented several strategic initiatives and secured large, multifaceted EPC projects on a global scale, thereby strengthening KPIL's position in the international EPC market. We have prioritised operational efficiencies, leading to improved working capital management and reduced finance costs. Notably, the company has successfully met its target of maintaining net working capital days below 100. The robust order book of ₹58,415 crores provides a solid foundation for achieving revenue targets for FY2025.

Looking at the Company's performance for the fiscal year, T&D business revenue grew by 30% year-over-year and achieved an impressive order inflow exceeding ₹11,150 crores, with domestic order bookings up by 48%. By the end of March '24, the T&D order book reached ₹20,678 crores, with an additional L1 position on orders totaling over ₹2,000 crores, primarily in the domestic market.

This noteworthy improvement is also attributed to the rising power demand and increasing adoption of renewables, leading to the development of new or upgraded grid infrastructure globally. In the domestic T&D market, we anticipate tenders for over ₹50,000 crores in the next 2-3 years. Additionally, our targeted international markets in Latin America, the Middle East, Africa, and Europe also show promising traction in T&D capital expenditures. Consequently, we expect substantial growth in this business in the coming years.

The B&F business witnessed significant progress in design-built EPC projects, securing several large and prestigious projects in residential buildings, data centers, and industrial plants. Order inflows amounted to ₹6,528 crores, with a year-end order book of ₹11,021 crores and an additional L1 position of over ₹1,900 crores. The business achieved a notable growth of

**We have prioritised operational efficiencies, leading to improved working capital management and reduced finance costs.**

16% for the year under review, with expectations of maintaining double-digit growth in FY25. The future looks promising - The real estate sector in India is expected to reach US$1 trillion by 2030, with significant traction in commercial and institutional buildings, data centers, and industrial plants. There is a growing preference for large established EPC players due to RERA compliance.

The revenue of the Urban Infrastructure business grew remarkably by 75% year-over-year. The business witnessed substantial traction in orders with the government's increased capital outlay for infrastructure development. Our foray into underground metro rail tunneling with two project wins underscores our commitment to sustainable urban infrastructure development.

The company's strategic efforts to establish a presence in the international hydrocarbon EPC markets culminated in FY24 with the securing of a large and prestigious Oil and Gas pipeline project in Saudi Arabia. This project underlines our global reach and capabilities, positioning the Oil and Gas business for strong growth ahead. Order inflows in the Oil and Gas sector totaled ₹795.2 crores, with FY24 revenue reaching ₹822 crores. The substantial increase in oil and gas pipeline investments, driven by elevated oil prices, further enhances the positive outlook.

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In FY24, the revenue of the Water business surged by 34% year-over-year to ₹3,511 crores, supported by orders worth ₹1,589 crores, resulting in a robust order book of ₹10,667 crores. We are focused on enhancing our execution capabilities to effectively manage large-scale projects. The opportunities in the water sector are vast and diverse, including initiatives such as the Jal Jeevan Mission, Namami Gange, water treatment, and irrigation projects, which offer significant avenues for growth and development in this sector.

In the Railways business, revenue reached ₹1,425 crores, with orders totaling ₹1,033 crores in FY24. Our focus has been on project closure and selective order booking in response to increased competition. Railways capex in India increased to ₹2.52 lakh crores for FY25, marking a 5% year-over-year increase, with emphasis on railway tracks, wagons, trains, electrification, signaling, station development, and safety.

Most of our target markets/geographies are witnessing population growth, especially in urban areas. This trend demands upgraded transportation networks, expanded housing, and enhanced utilities to accommodate the increasing population density. In turn, this is benefitting all of our businesses globally.

Turning attention to the international subsidiaries, Linjemontage in Sweden saw strong momentum with order inflows of ₹1,656 crores in FY24, a growth of over 150% over the previous year, and an order book of over ₹2,000 crores. On the other hand, Fasttel Engenharia, our Brazil subsidiary, achieved approximately 59% revenue growth, with order inflows doubling to over ₹1,400 crores and a closing order book of around ₹1,500 crores. With strong order book and tremendous growth opportunities, we anticipate sustainable growth for both subsidiaries in the coming year.

**Building a legacy of impact**

Looking ahead, FY2025 is expected to bring its own set of challenges. However, KPIL has consistently demonstrated its agility and adaptability to sudden changes. The company's primary focus in FY25 will be to further strengthen its balance sheet through efficient working capital management and the divestment of non-core assets. We aim to achieve revenue growth of over 20%, with a PBT margin in the range of 4.5 to 5%, mirroring the performance of FY24. Last year was exceptional in terms of order inflows, and we are determined to maintain a strong influx of orders in the current year as well. Additionally, as a responsible corporation, your company is committed to making its products and services sustainable by striving for carbon and water neutrality and achieving zero waste in all operations, thereby preserving our planet, people, and prosperity.

The identity of KPIL is its people, and our commitment is to foster a supportive and enriching work environment for them. We have introduced comprehensive wellness programmes aimed at enhancing holistic well-being. Additionally, our robust training and educational initiatives are designed to equip employees with the skills needed to thrive in the ever-evolving industry. Through targeted skill development programmes, continuous learning opportunities, and leadership training, we are investing in the future of our workforce, ensuring they are well-prepared to drive the company's success. Together, these initiatives not only enhance individual growth but also strengthen our collective capability to innovate and excel.

Kalpataru has an illustrious and distinguished legacy spanning five decades. The leadership at KPIL is fully committed to furthering this impressive journey by constantly enhancing, evolving, and actively pursuing growth opportunities, aiming to solidify the company's position as a leading global EPC brand.

Lastly, I would like to place on record my gratitude to all our stakeholders. Your trust fuels our journey towards excellence. Together, we will continue to thrive and make a positive impact for generations to come.

**Manish Mohnot**

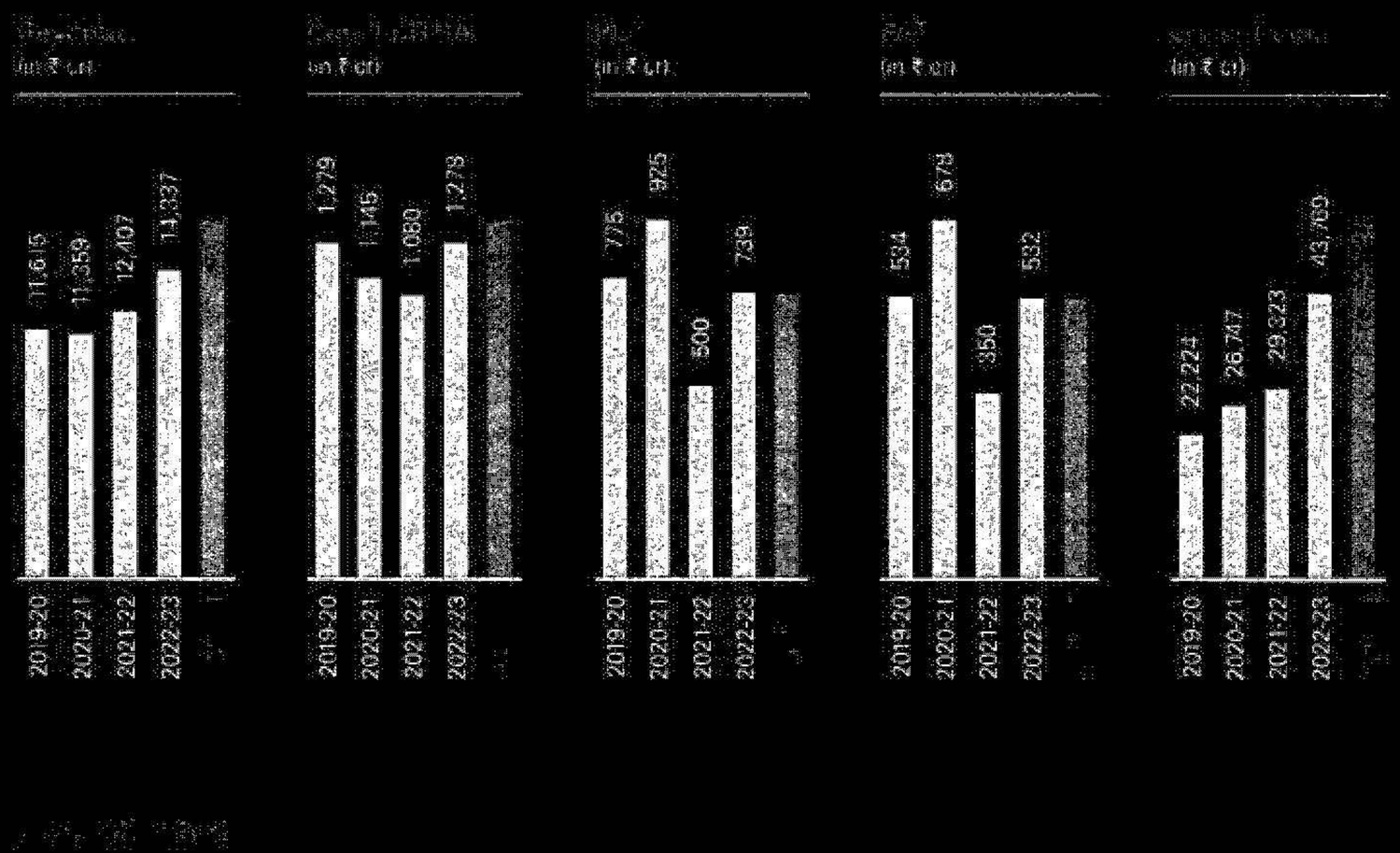
MD & CEO, Kalpataru Projects International Limited

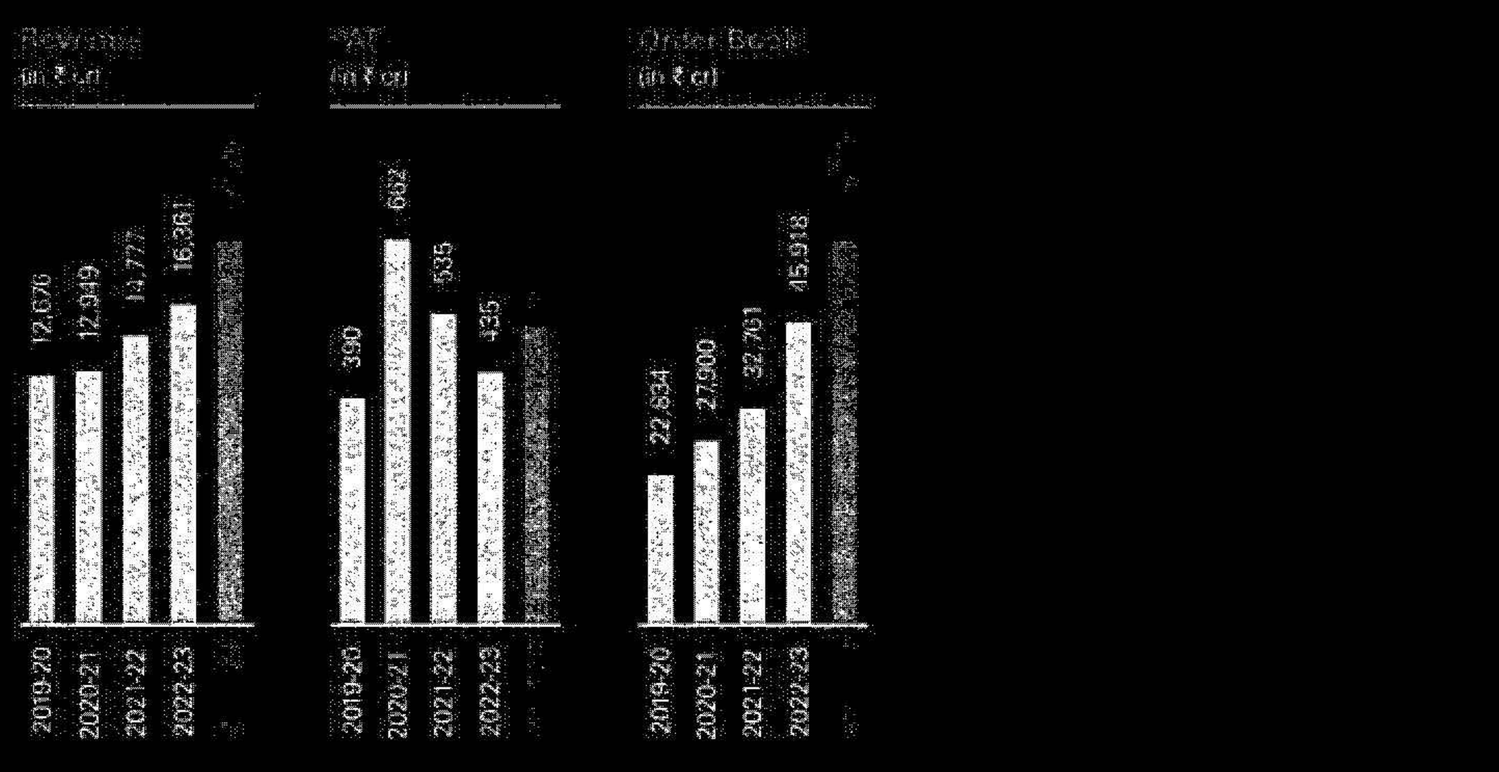






# Financial highlights








(in ₹ cr) USD Mn[3]

| Particulars | 2019-20[#] | 2020-21[#] | 2021-22[#] | 2022-23 | 2023-24 | 2023-24 |
|---|---|---|---|---|---|---|
| **Standalone** | | | | | | |
| Production in MTs* | 173,094 | 156,214 | 148,253 | 122,594 | 133,162 | |
| Gross Revenue | 11,615 | 11,359 | 12,407 | 14,337 | 16,760 | 2,010 |
| Sales Growth (%) | 12.1% | -2.2% | 9.2% | 15.6% | 16.9% | 16.9% |
| International Revenue | 2,938 | 2,903 | 2,911 | 3,790 | 4,941 | 593 |
| Total Expenditure (excluding depreciation and finance cost and Expected credit loss provision for loans and advances given to joint venture / others) | 10,346 | 10,215 | 11,327 | 13,167 | 15,394 | 1,846 |
| Operating Profit (Profit before tax, depreciation, interest, other income and Expected credit loss provision for loans and advances given to joint venture / others and including exceptional items) | 1,303 | 1,313 | 1,144 | 1,224 | 1,330 | 160 |
| Other Income | 78 | 91 | 98 | 112 | 113 | 14 |
| Finance Cost | 291 | 222 | 244 | 294 | 337 | 40 |
| Profit before Tax (PBT) after exceptional items | 775 | 925 | 500 | 739 | 739 | 89 |
| Depreciation | 228 | 257 | 272 | 295 | 369 | 44 |
| Profit before Interest & Tax (PBIT) after exceptional items | 1,066 | 1,147 | 743 | 1,033 | 1,076 | 129 |
| Profit before Tax & before exceptional items | 751 | 757 | 436 | 685 | 774 | 93 |
| Exceptional items- gain/(Loss) | 24 | 168 | 64 | 54 | (35) | (4) |
| Provision for Taxation (incl. Deferred Tax) | 240 | 247 | 149 | 207 | 206 | 25 |
| Profit after Tax (PAT) | 534 | 678 | 350 | 532 | 533 | 64 |
| Other Comprehensive Income (net of tax) | (41) | 5 | 36 | (47) | 11 | 1 |
| Equity Share Capital | 31 | 30 | 30 | 32 | 32 | 4 |
| Net Worth | 4,199 | 4,574 | 4,937 | 5,320 | 5,750 | 690 |
| Long-Term Borrowings (excluding interest free loans from entities other than bank and financial institutions) | 1,063 | 1,005 | 1,021 | 1,065 | 1,205 | 145 |
| Short-Term Borrowings | 1,109 | 884 | 1,145 | 1,636 | 1,720 | 206 |
| Total Borrowings (excluding interest free loans from entities other than bank and financial institutions) | 2,173 | 1,890 | 2,166 | 2,701 | 2,925 | 351 |
| Borrowings (Net of Cash and Bank balances) | 1,705 | 1,288 | 1,054 | 1,680 | 1,833 | 220 |
| Net Debt to Equity Ratio | 0.38:1 | 0.28:1 | 0.21:1 | 0.32:1 | 0.32:1 | 0.32:1 |
| Return on Equity (%) | 12.7% | 14.8% | 7.1% | 10.0% | 9.3% | 9.3% |
| Return on Capital Employed (%)** | 19.7% | 19.5% | 12.5% | 15.9% | 14.8% | 14.8% |
| Book Value per Equity Share (₹/USD) | 258 | 282 | 304 | 327 | 354 | 4.2 |
| Earnings per Equity Share (₹/USD) | 32.9 | 41.8 | 21.6 | 32.7 | 32.8 | 0.4 |
| Operating Profit (%) | 11.2 | 11.6 | 9.2 | 8.5 | 7.9 | 7.9 |
| Profit before Tax (%) | 6.7 | 8.1 | 4.0 | 5.2 | 4.4 | 4.4 |
| Profit after Tax (%) | 4.6 | 6.0 | 2.8 | 3.7 | 3.2 | 3.2 |
| Order Book at year end | 22,224 | 26,747 | 29,323 | 43,769 | 54,875 | 6,582 |
| **Consolidated** | | | | | | |
| Gross Revenue | 12,676 | 12,949 | 14,777 | 16,361 | 19,626 | 2,354 |
| Profit before Interest & Tax (PBIT) (Normal) | 1,169 | 1,381 | 1,093 | 1,108 | 1,219 | 146 |
| Profit after Tax (PAT) | 390 | 662 | 535 | 435 | 516 | 62 |
| Earnings per Equity Share (₹/USD) | 25.3 | 44.2 | 36.3 | 29.1 | 31.4 | 0.4 |
| Consolidated Order Book at year end | 22,834 | 27,900 | 32,761 | 45,918 | 58,415 | 7006 |
| Net Worth (Excl rev reserve, attributable to owners) | 3,358 | 3,739 | 4,279 | 4,721 | 5,138 | 616 |
| Return on Equity (%) | 11.6% | 17.9% | 12.6% | 9.2% | 10.0% | 10.0% |
| Borrowings (Net of Cash and Bank balances) | 3,536 | 2,304 | 1,902 | 2,581 | 2,591 | 311 |
| Return on Capital Employed (%)** | 17.6% | 21.5% | 17.9% | 16.4% | 16.2% | 16.2% |

[#]Consequent to Amalgamation of JMC Projects (India) Limited with the Company, previous years' numbers have been restated to make it comparable

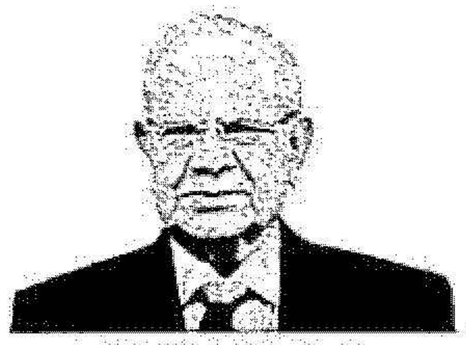
*The quantity includes production on job work basis and purchased from/got processed from third parties

**Based on average capital employed

[3]USD 1 = ₹83.3739

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# Board of Directors



**Mr. Mofatraj P. Munot**
Non-Executive Chairman Promoter
Ⓜ Ⓜ



**Mr. Parag M. Munot**
Director Promoter
Ⓜ Ⓜ Ⓜ



**Mr. Manish Mohnot**
Managing Director & CEO
Ⓜ Ⓜ Ⓜ



**Mr. Shailendra Kumar Tripathi**
Dy. Managing Director
Ⓜ



**Mr. Dhananjay Mungale**
Independent Director
Ⓒ Ⓒ



**Mr. Bimal Tanna**
Independent Director
Ⓒ Ⓜ



**Ms. Anjali Seth**
Independent Director
Ⓒ Ⓜ Ⓜ



**Dr. Shailendra Raj Mehta**
Independent Director
Ⓒ Ⓜ

Ⓒ Chairperson Ⓜ Member

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee

### Mr. Mofatraj P. Munot

Non-Executive Chairman Promoter
● ○

- **Founded the Kalpataru Group in 1969**
- **Over 55 Years of experience in real estate and property development, engineering and civil construction**

He is first-generation entrepreneur with a passionate commitment to create a world-class engineering and construction organisation with a vision to build infrastructure landmarks contributing to the larger cause of nation building. Starting with Real Estate, he has piloted the group's interests to Power Transmission and Infrastructure EPC, Civil Contracting, successfully leading Kalpataru to new avenues, within India and globally. Under his leadership and strategic direction, the group has seen remarkable increase in all spheres of growth to become more than USD$ 2 billion infrastructure conglomerate with a footprint spanning over 70 different nations along with establishing local presence in Europe and Latin America. Mr. Munot remains deeply committed to community and is instrumental in setting-up Kalpataru Foundation and Munot Foundation, which serves several initiatives across the country, in the areas of education, healthcare and skilling, reaching out to society's least privileged.

### Mr. Parag M. Munot

Director Promoter
● ● ○

- **Managing Director of Kalpataru Ltd.**
- **Instrumental in providing strategic direction and growth for KPIL and Group companies**

He is the Managing Director of Kalpataru Limited, the flagship real estate arm of the Group. He is responsible for the Group's real estate and property development business. At Group level, he provides strategic support and drives new business initiatives. He is a graduate in Commerce and holds an MBA from Carnegie Mellon University, USA.

### Mr. Manish Mohnot

Managing Director & CEO
○ ○ ○

- **CA, ICWA, Advanced Management Programme from Harvard Business School**
- **25+ years of experience in Energy and Infrastructure Sector**

Mr. Manish Mohnot has more than 28 years of experience in Energy and Infrastructure Sector. In his capacity as the MD & CEO, Mr. Mohnot has led KPIL to its position as one of the largest listed engineering and construction organisation in India. His entrepreneurial mindset, deep financial insights and foresight has helped KPIL to deliver remarkable performance on various growth parameters, which includes revenue, profitability, order book, market capitalisation, global reach etc. thereby creating significant value for stakeholders. He spearheads various growth and transformation initiatives at KPIL in areas related to talent development, project management, innovation, digitalisation and sustainability.

Mr. Mohnot is a qualified Chartered Accountant, Cost Accountant and has done advanced management programme from Harvard University (U.S). Prior to joining KPIL in 2006, he has worked as a Director in KPMG's business consulting practice advising leading Indian corporates.

### Mr. Shailendra Kumar Tripathi

Dy. Managing Director
○

- **BE (Civil)**
- **40+ years of experience in Project Management, Operations, Business Development and Planning**

Mr. Shailendra Kumar Tripathi is a Civil Engineer from Government Engineering College, Jabalpur, Madhya Pradesh. Since passing out in 1984, he has worked in major Infrastructure companies such as JMC, Gammon India, Larsen & Toubro Limited and Oriental Structural Engineers Private Limited. He has over four decades of experience in the field of project planning and execution of large-size infrastructure projects involving roads, metro, water, industrial EPC and airports. His technical, strategic decisions and leadership skills coupled with his sound financial and business sense have helped him in successfully building businesses across the sectors.

### Mr. Dhananjay Mungale

Independent Director
● ○

- **Chartered Accountant and Graduate in Commerce and Law from University of Mumbai**
- **A seasoned banker with global experience in investment, corporate, and private banking across Europe and India**

Mr. Dhananjay Mungale is a seasoned banker and finance professional with extensive global experience of investment banking, corporate banking and private banking across Europe and India. With a career spanning 25 years, he has served at leadership positions in Europe and India at Bank of America and DSP Merrill Lynch. Since 1999, Mr. Mungale serves on the Boards of eminent companies in India as an independent director. He also serves on Advisory Boards of select private equity organisations and investment

committees of family office in India and London. Mr. Mungale also regularly mentors young talent in the Fintech start-up sector, across India and abroad.

Besides his business and professional achievements, Mr. Mungale also finds time to work with eminent institutions in educational and not-for-profit domains as a member of their Governing Councils. These have included Mahindra United World Colleges and Oxford Centre for Hindu Studies. Mr. Mungale is a graduate in Commerce and Law from University of Mumbai, and a Member of the Institute of Chartered Accountants of India.

**Mr. Bimal Tanna**

Independent Director

- **Chartered Accountant**
- **38 years of experience with top firms, serving major domestic and MNC clients in direct tax, audit, due diligence, and valuation**

Mr. Bimal Tanna is a 1986 qualified Chartered Accountant who currently serves as Independent Director on the boards of reputed conglomerates. His 38 years' career spans across two highly reputed professional services firms where he served some of the largest domestic and MNC clients primarily across direct tax, audit, due diligence and valuation services. In both these highly reputed organisations, he had grown through the ranks and had the privilege of serving as partner.

Mr. Bimal Tanna recently retired as a senior partner of PricewaterhouseCoopers in India (PwC) after more than 25 years of service. Prior to PwC, Mr. Bimal Tanna was with Bansi S. Mehta & Co for a decade.

At PwC, Mr. Bimal Tanna has served as Managing Partner (West) and led the critical Partner Affairs function. He has served on the Firm's governance body, the board of directors and the Firm's India Leadership Team. He has served clients across varied sectors and industries including Aerospace and Defense, Auto, Education, Consumer and Retail, Energy, Entertainment and Media, EPC, Hospitality, Financial Services (Broking, AMCs, Micro Finance), Industrial Products (Cement, Building Products, Industrial Manufacturing), Infrastructure (Ports and Roads), IT and ITeS, Pharma, Real Estate, Telecom and Travel and Tourism.

**Ms. Anjali Seth**

Independent Director

- **LLB**
- **30+ years of advising companies in legal matters, M&A, private equity, governance, statutory and compliance**

Ms. Anjali Seth has over three decades of experience in advising top banks, financial institutions and corporates on a range of matters including M&A, PE investments, industrial and employee relations, corporate governance, real estate negotiation, legal matters, statutory issues and litigations. She has been associated in various positions with International Finance Corporation, ANZ Grindlays Bank, Standard Chartered Bank, Emaar Properties (UAE) and Swadhaar FinServe Limited. She holds a bachelor's degree in Law.

**Dr. Shailendra Raj Mehta**

Independent Director

- **M.Phil from Balliol College, Oxford, and PhD from Harvard Business School**
- **Distinguished Economist & Professor**

Dr. Mehta has done his Bachelor's and Master's degrees from Delhi University, M.Phil from Balliol College, Oxford, and Ph.D. from Harvard. He is currently the President, Director and Distinguished Professor for Innovation and Entrepreneurship at MICA, Ahmedabad. After a sixteen year stint at Purdue University, he returned to India in 2006-07 to head the collaboration between Duke CE (Duke University's Corporate Education Arm) and IIM-Ahmedabad as its head for India, West Asia and the Middle East and simultaneously as Visiting Professor of Business Policy at IIM-Ahmedabad. He has done extensive research in the areas of Entrepreneurship, Industrial Organisation, Information Economics and Experimental Economics.





# Key Management

## Corporate Heads

**Mr. Manish Mohnot**
MD & CEO

**Mr. S K Tripathi**
Deputy MD

**Mr. Sanjay Dalmia**
Executive Director

**Mr. Amit Uplenchwar**
Director - Strategy Business Group

**Mr. Ram Patodia**
Chief Financial Officer

**Mr. M A Baraiya**
Chief Human Resource Officer

**Mr. G L Gupta**
Chief Procurement Officer

**Mr. K K Jain**
Director (Integrity) & Chief Ethics Officer

**Mr. Saugata Basu**
Chief Digital & Information Officer

**Mr. N Neelakanteswaran**
Head of Central PMO

**Mr. Lalit Tiwari**
Head of EHS & Sustainability

**Ms. Shweta Girotra**
Company Secretary

## Business Heads

**Mr. Om Prakash Pandey**
Water Supply and Irrigation

**Mr. G M Shanthakumar**
Buildings and Factories (South India)

**Mr. Rajeev Dalela**
T&D India & SAARC

**Mr. Ramesh Bhootra**
T&D International (BD & Subsidiaries)

**Mr. Hitendra Pooniwala**
T&D International

**Mr. N K Kaushal**
T&D International, BD

**Mr. Jitendra Kumar Jain**
Railways

**Mr. Afzal Khan**
Urban Infrastructure

**Mr. Subramanian Sadasivam**
Buildings and Factories (North, East & West India)

**Mr. Rajesh Kanade**
Civil International

**Mr. Virendra Varshney**
Oil and Gas, Domestic

**Mr. Vinod Singh**
Oil and Gas, International

**Mr. Kumaradevan Srinivasan**
Manufacturing Plants

**Mr. Anand Chopra**
Renewable Power Generation (Biomass)

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## Awards and Recognition

Prestigious global **Going Digital Awards in Infrastructure** Founders Honors- 2023 from Bentley Systems, the only Indian organisation to receive the award in FY23-24.

Best **Zero Carbon Emission Initiative** of the Year 2024 from UBS Forums for T&D (International)

KPIL Gandhinagar Plant won **Gold Award in National safety convention** organised by Quality Circle Forum of India (QCFI) and Industrial Safety & Health, Government of Gujarat

KPIL Gandhinagar Plant won **Gold Award in National Level Lean Competition** by CII – Institute of Quality

Won **CSR Project Of The Year** by UBS Forums in Delhi for Education project 'Enhancing 21st Century Skills through setting up of Digital Smart Classrooms and STEM interventions

T&D division won **RoSPA Award** for Kalpataru IBN Omairah Company Ltd – Saudi Project Site, Tajikistan Transmission Line Project – Project Site (Silver Category)

**Vishwakarma Awards 2023** B&F, Water and Railway divisions won total of **19 awards** by Construction Industry Development Council

Won **Gold Award & Silver Award** at 47th CII National Kaizen Competition 2023, Gandhinagar Plant.

Won **Gold award** for **Six Sigma Project Case Study** at AHCCQC by QCFI Ahmedabad

Won the prestigious **India CSR Award in STEM Education** at the Maharashtra CSR Summit 2023.

**3 Gold & 1 Silver,** from Quality Circle Forum of India for Raipur Plant

**TPM Certificate 2023** for significant achievement in manufacturing excellence, Raipur Plant

Water division won **RoSPA Award** for Jharkhand Shikaripada Dumka Rural Water Supply Project (Silver category)

T&D Won **Best Team Work** at Confederation of Indian Industry National Finals, Jamshedpur.

T&D Won Award at an **International Convention on Quality Circle concept** – ICQCC 2023

T&D Won **Par Excellence Award** at a National Convention on Quality Concepts NCQO 2023, Nagpur

B&F division won **British Safety Council Award** for Birla Tisya – Bangalore (Merit Category)

**EPC World Award** won by Railways division for outstanding contribution to urban infrastructure

Railway division won **RoSPA Award** for Bhopal Metro Rail Project **(Gold Category)**

B&F division won **RoSPA Award** for DLF Delhi, DLF Chennai Infor park developers, KDPL Mall Project (Gold & Silver category)

KPIL has been awarded the 2023 **IPLOCA Corporate Social Responsibility Award**, sponsored by TotalEnergies, for its Healthcare, Education, Skill Development Projects, and Community Development Programme in India

B&F division won **British Safety Council Award** for Infosys Software Park – Hyderabad, Hanimaadhoo International Airport – Maldives, Techno Data Centre – Chennai, (Winner Category)

Oil and Gas Business Unit Head was awarded **Business Icon of the Year** by Outlook Business Spotlight at Business Icon Awards 2023

# Diversified Portfolio

**Portefeuille diversifié**

**Portfólio diversificado**

**Diversifierad portfölj**

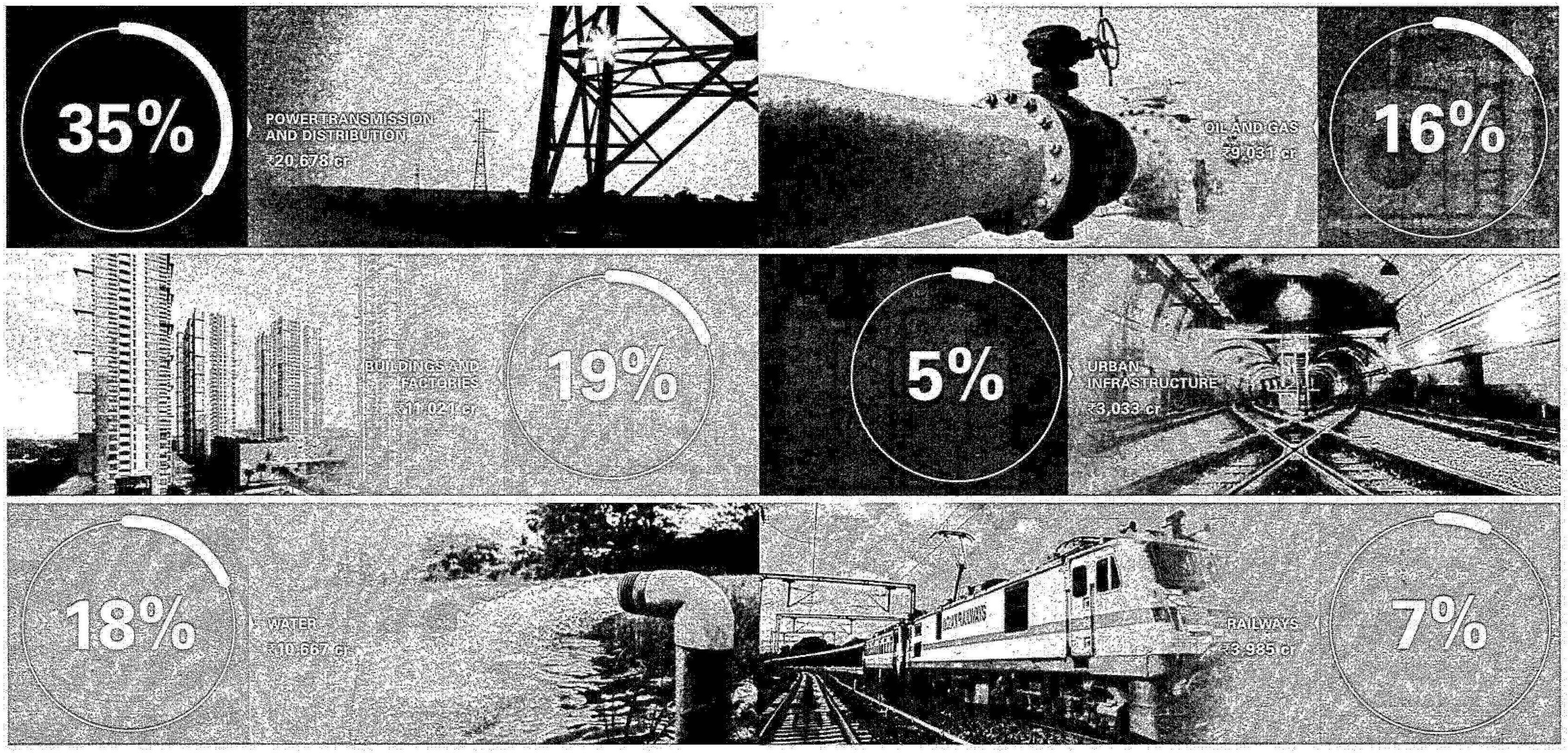
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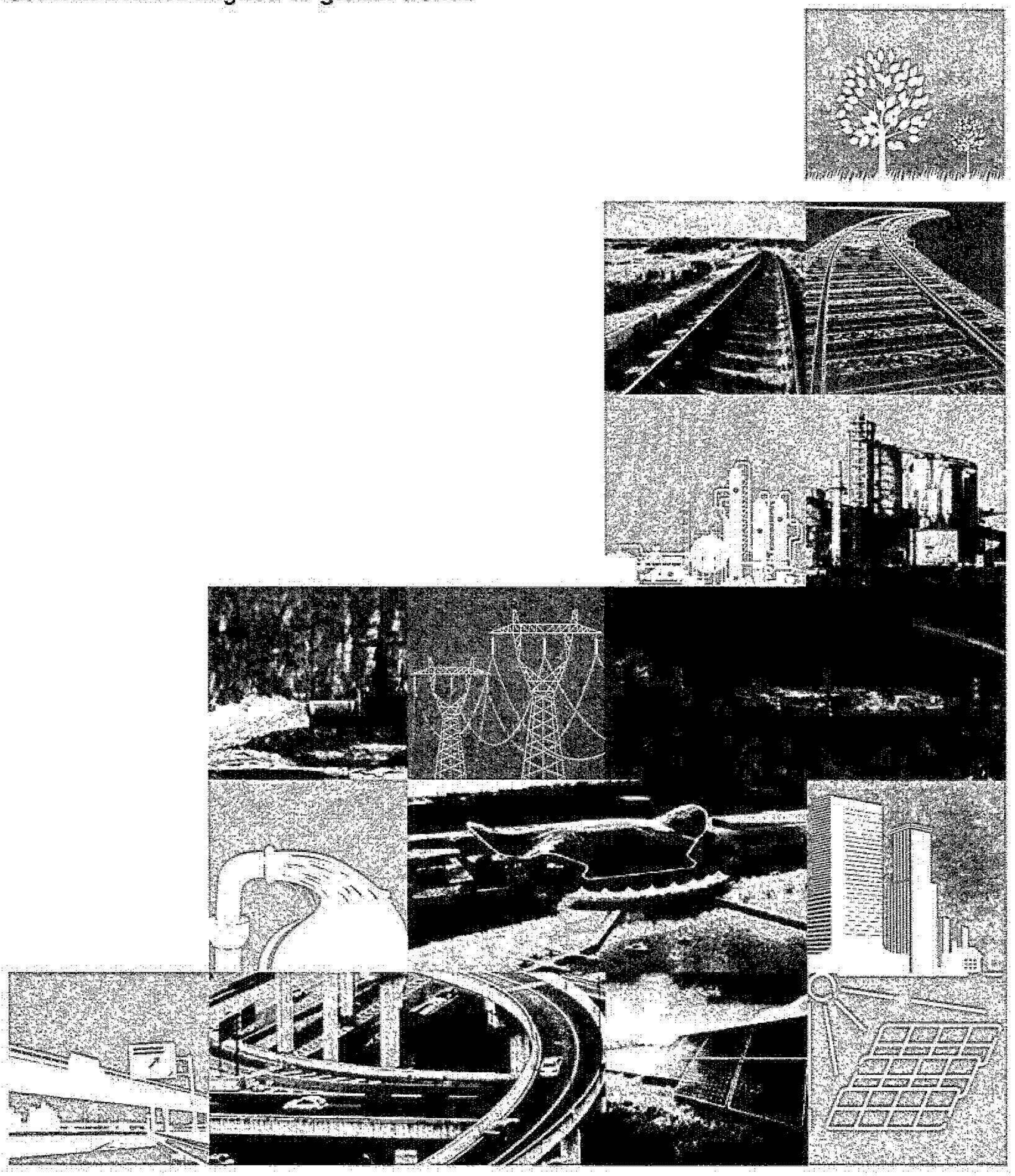


**Diversed Portfolio**

# Highest ever order book of ₹58,415 crores as of 31st March, 2024



# Growth Drivers aligned to global trends





## Decarbonisation and Energy Transition

KPIL is strategically positioned in the T&D business, with an order book of ₹20,678 crores, aligning with the global shift towards decarbonisation and energy transition. Currently, we are executing projects in over 30 countries, concentrating on grid infrastructure enhancements and transmission lines to facilitate the efficient distribution of green energy. Additionally, our expansion into solar energy projects in Africa underscores our dedication to sustainable energy solutions and bolsters the ongoing transition to a cleaner and more sustainable future.

## Rapid Urbanisation and Connectivity

Most of our target geographies are witnessing population growth, especially in urban areas. This trend demands upgraded transportation networks, expanded housing, and enhanced utilities to accommodate the increasing population density. In turn, this is benefitting all of our businesses globally. With a rich legacy spanning four decades, KPIL has played a crucial role in supporting India's growing sectors during its rapid urban growth. This involves providing high-quality infrastructure for various areas such as healthcare, education, housing, commercial spaces, industries, hospitality, IT, and data centres. The company has also constructed several state-of-the-art green buildings in the south of India.

## Connectivity and Mobility

Currently, we're handling projects nationwide and have a significant global presence, contributing to urban mobility and transport networks. KPIL is responsible for about 20% of India's railway electrification, crucial for efficient urban transit. We continue to expand our presence into the international Oil and Gas EPC market, with a major contract for pipeline work in Saudi Arabia, significantly enhancing our global EPC capabilities. Additionally, our contracts for two underground metro projects in India highlight our commitment to advancing urban mobility solutions.

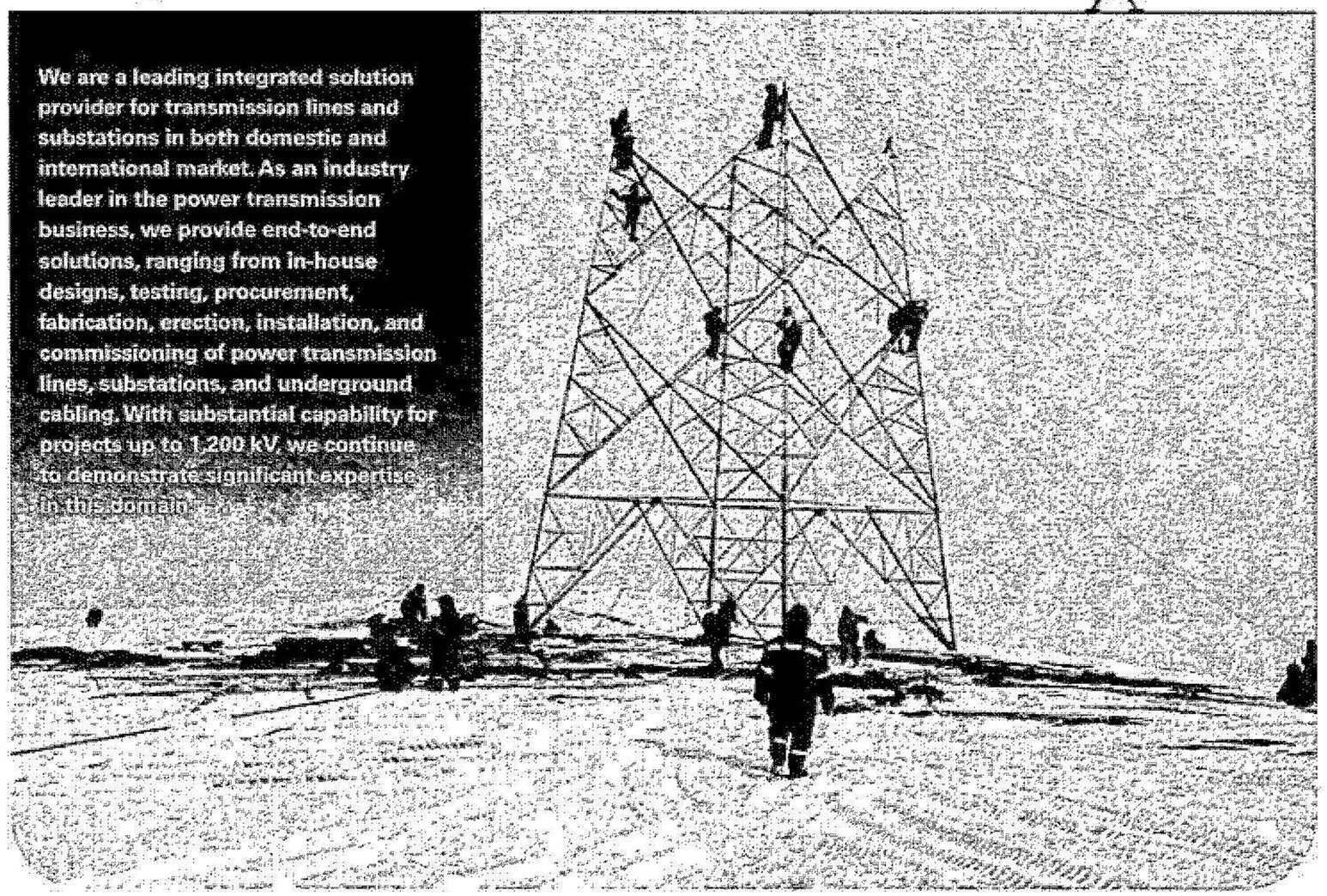
## Water for All

Aligned with the Indian Government's mission of 'Har Ghar Jal', ensuring access to clean drinking water in every household, KPIL's water division boasts a robust portfolio, specialising in various water infrastructure projects across India and neighbouring countries. Our efforts have positively impacted more than 15 million people worldwide, with the installation of 6.3 lakhs water connections since our inception. These initiatives not only address water scarcity but also contribute significantly to improving public health and sanitation standards

## Diversified Portfolio Strategy

Our portfolio consists of a strategic blend of businesses that ensure a balanced level of aggregated risk, fostering the company's overall growth year after year. While we depend on established businesses for steady growth, we also prioritise nurturing and expanding new ventures with high growth potential that align with global trends.

# Power Transmission and Distribution



We are a leading integrated solution provider for transmission lines and substations in both domestic and international market. As an industry leader in the power transmission business, we provide end-to-end solutions, ranging from in-house designs, testing, procurement, fabrication, erection, installation, and commissioning of power transmission lines, substations, and underground cabling. With substantial capability for projects up to 1,200 kV, we continue to demonstrate significant expertises in this domain.

**2,40,000 tons**
Installed capacity

**4 decades**
of Experience

**36,000 km**
Transmission contracts completed across the globe (Since inception)

**2.6 million tons**
Transmission tower delivered globally

**30+ countries**
Ongoing projects

**2**
State of the art Tower Manufacturing Plants

**In-house**
galvanising and painting facilities

## Key highlights of the year

**2,765**
Towers erected in FY24

**1,794**
Circuit km stringing in FY24

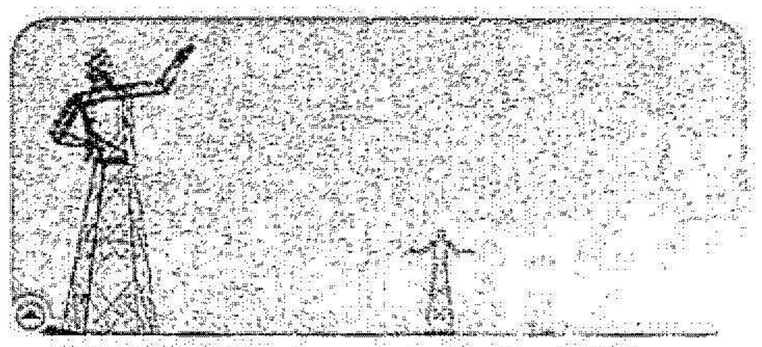


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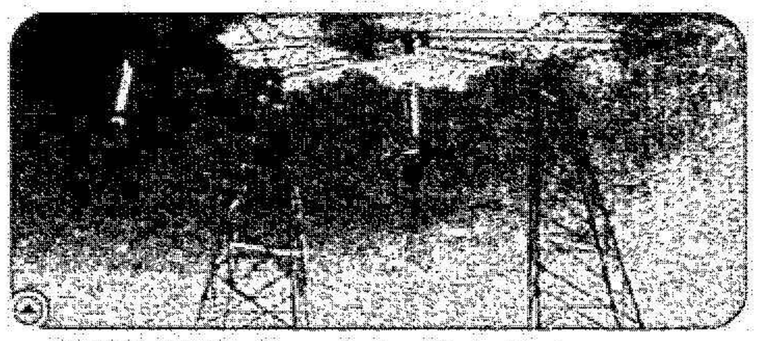


## T&D Turnkey solutions

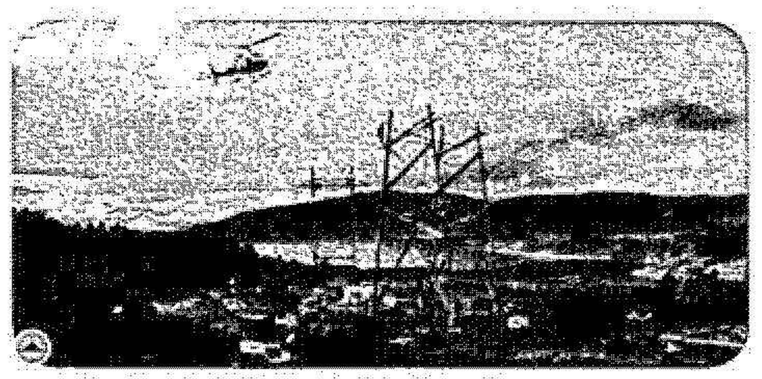
KPIL has over 4 decades of experience in executing complex Transmission Line Projects upto 1200 KV and Green Field Substations Projects upto 765 KV



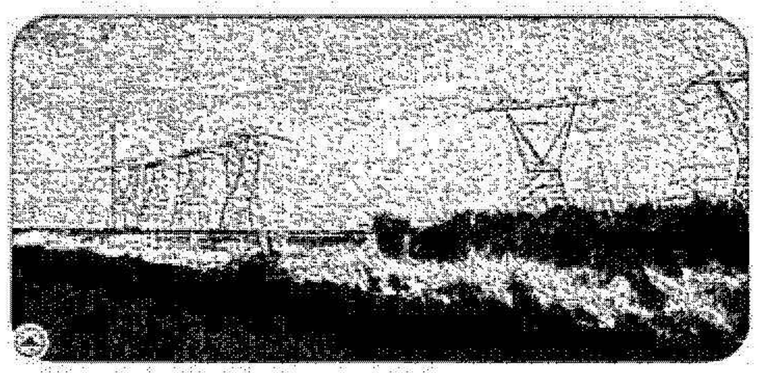
500 kV HVDC 200 km Transmission Line from Tajikistan Border to Afghanistan



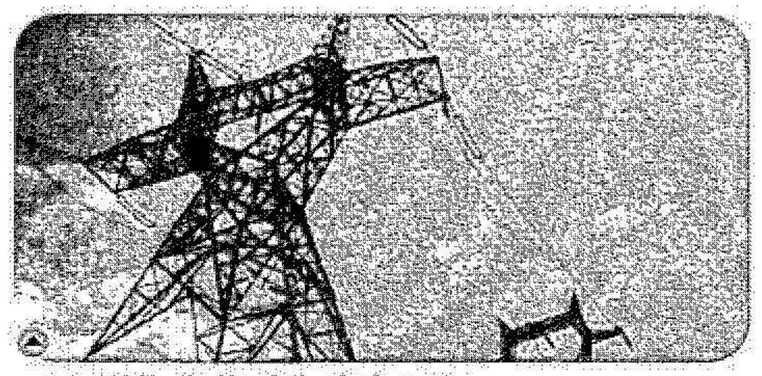
750 kV S-C 353 km Transmission Line in Ukraine



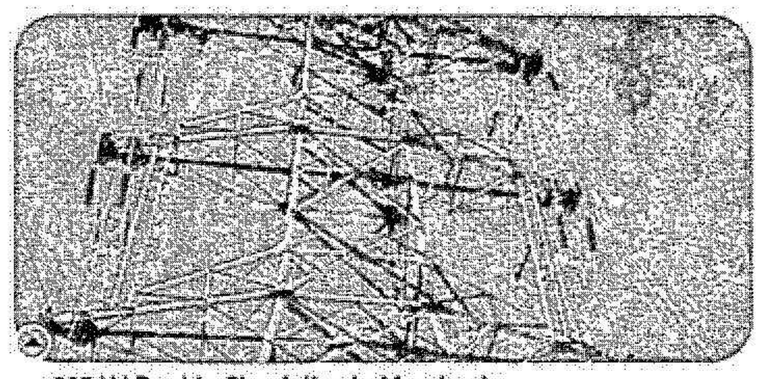
132kV S-C Transmission Line in Norway



500 kV Double Circuit line in Brazil



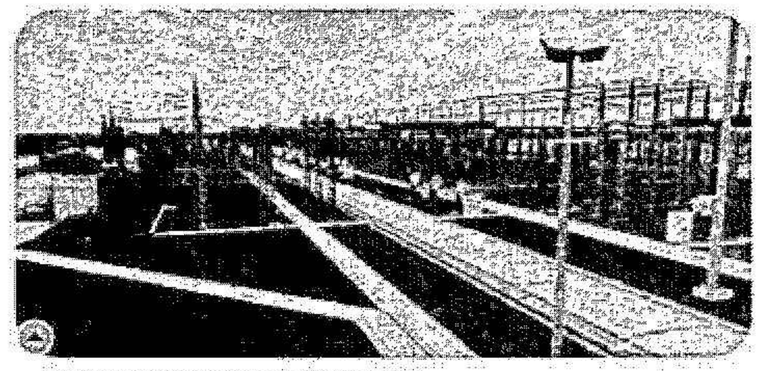
225 kV Single Circuit line in Cameron



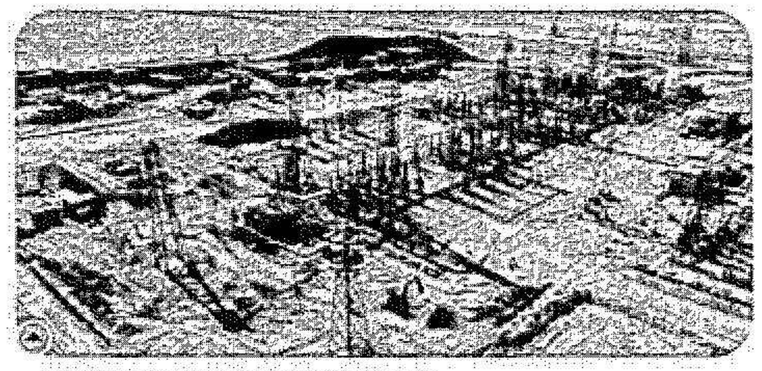
225 kV Double Circuit line in Mauritania

## Substations

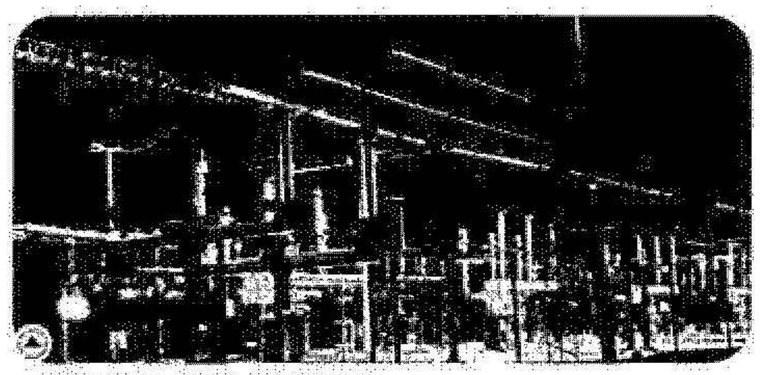
We have experience of working in both AIS (Air Insulated Substations) and GIS (Gas Insulated Substations), completing GIS projects up to 400 kV and AIS projects up to 765 kV.



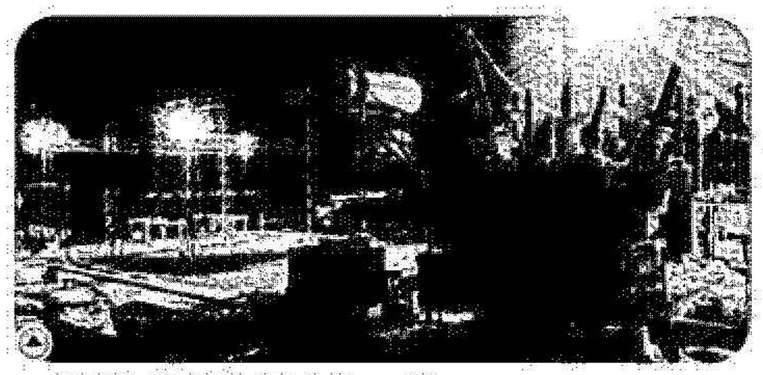
225/30 KV Substation in Senegal



220/110 KV AIS Substation in Chile



Substation Works in Sweden

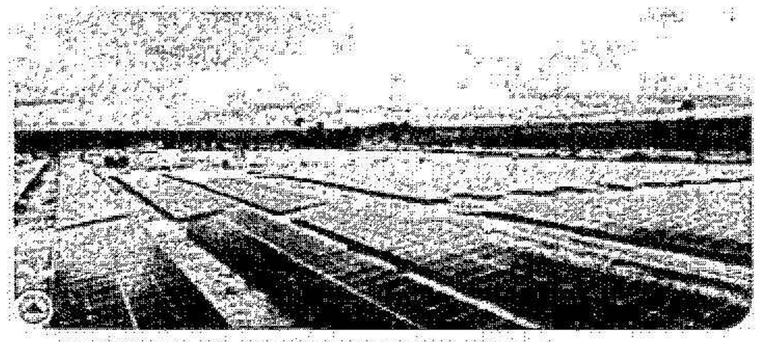


220-132 kV Substation in Burundi

## Solar Power Projects

Installation process from design to operation, covering wide range of services such as site surveys, optimised electromechanical design, procurement, handling of permits and commissioning.

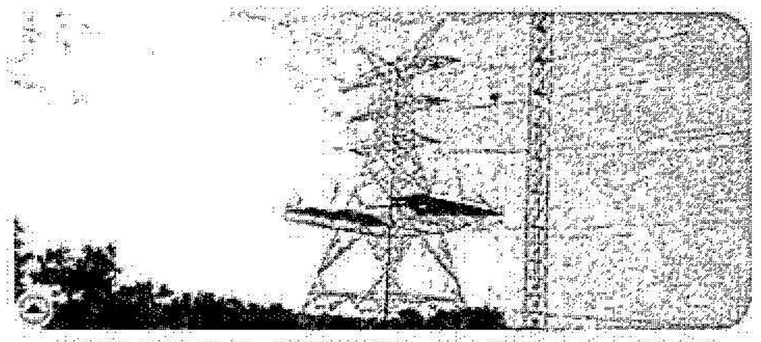
Scan QR code for more details



20 MW Solar Power projects in Sierra Leone

## Design and Engineering - Tower Testing and R&D Center

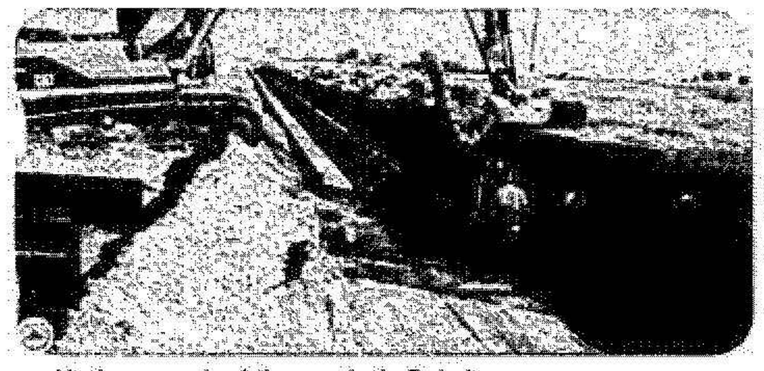
KPIL has world class design capabilities emanating from a rich pool of highly qualified and experienced team of design engineers combined with cutting edge technologies and an unparalleled experience of having designed virtually all types of towers across the globe



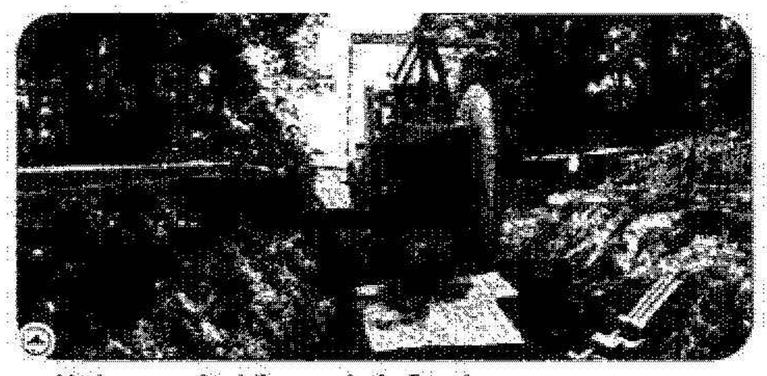
KPIL Twin Tower Testing facility in Gandhinagar, capable of testing up to 1,200 kV

## Underground Cabling

We have projects executed and under execution in five countries , India, Sweden, UAE, Kuwait and Qatar. In-house capabilities range from conception and design to civil works, testing, installation, and commissioning for large-scale projects, including planning and design, authority permits, registration, environmental assessments, HDD and excavation work in almost all kinds of surfaces, purchasing of cables, fibre optics, pipes, joints, terminations, and related accessories, cable pulling, and final documentation of complete cable system on an as-built basis. We have experience in underground cable projects up to 400 kV level.



Underground cabling works in Dubai



Underground cabling works in Sweden





## Manufacturing plants

One of the **largest transmission tower manufacturing** company with installed capacity of 2,40,000 tons. In-house galvanising and painting facility spread across two plants in India processes and systems integrated through ERP and other digitalisation initiatives.

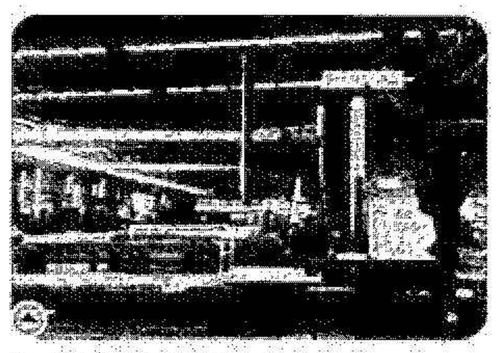
**Conventional formwork and scaffolding line**, with a capacity of 1,000 tons per month and equipped with state-of-the-art welding machines, presses, sophisticated storage systems, automated conveyors and conveyorised world class painting system.

**Heavy girders line** for fabricating open web girders, composite girders etc required for railway and other similar projects. Output of 30,000 tons per annum, with the capabilities to fabricate heavy beams with modern and contemporary machines including auto welding.

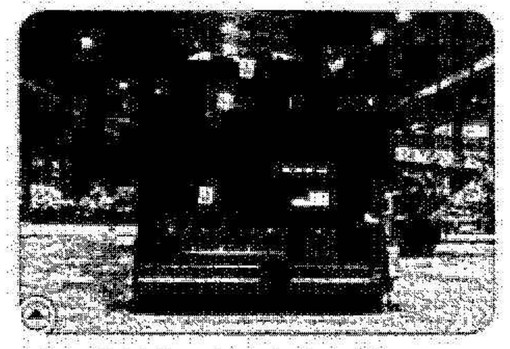
**Customised formwork** for Urban Infra related projects like Pier, Pier caps, U girders, etc. such as Pier, Pier caps and U girders. Capable of designing and producing 10,000 tons per annum.



State of the Art benchmark line for Scaffolding



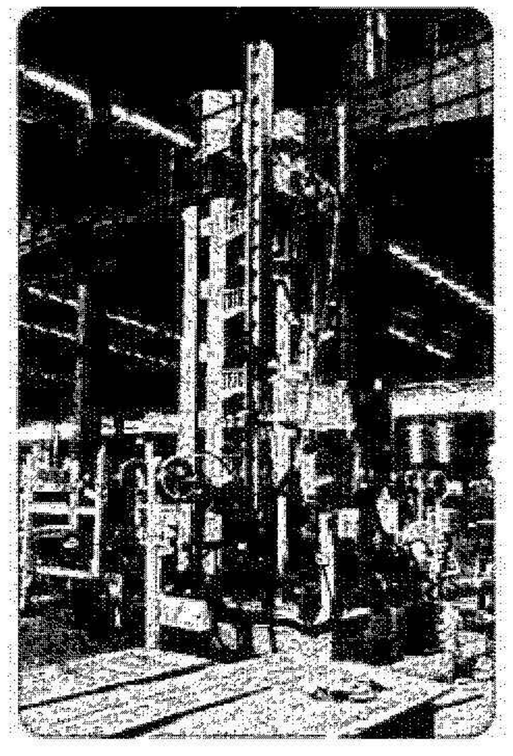
End Facing machine - Girder

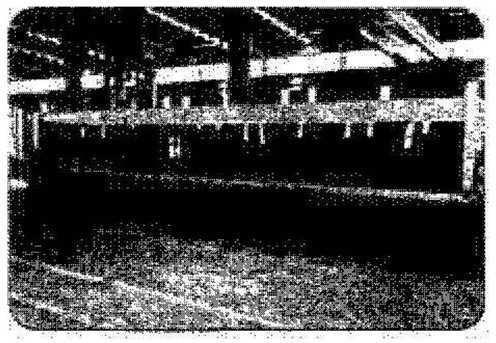


Press Brake machine - Formwork



Automated Storage Conveyorised bundling operations for Plate & Cleat



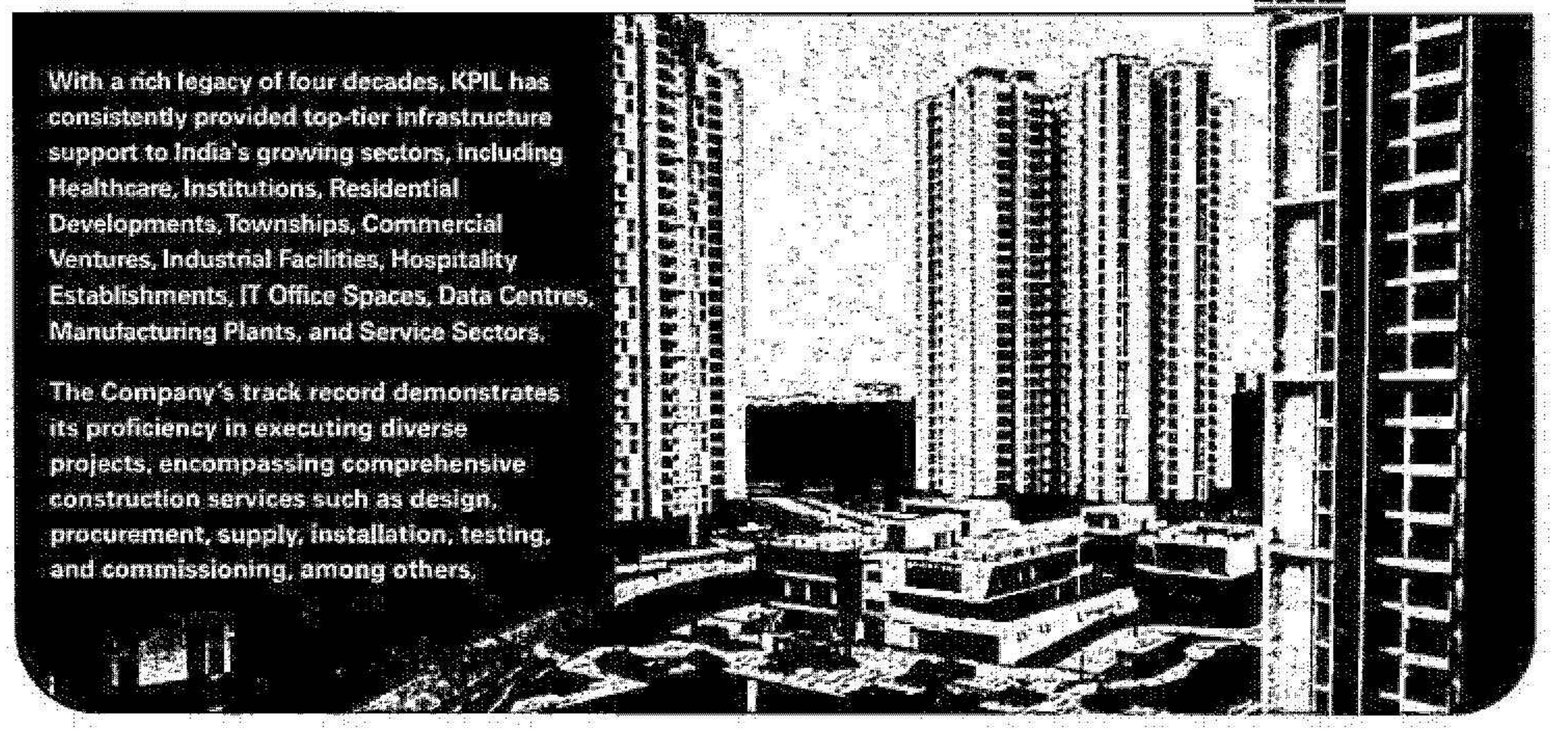




## ISO Certifications 9001:2015, 45001:2018, 14001:2015

Strong quality assurance along with high emphasis on Occupational Health and Safety at our manufacturing plants

## Buildings and Factories



With a rich legacy of four decades, KPIL has consistently provided top-tier infrastructure support to India's growing sectors, including Healthcare, Institutions, Residential Developments, Townships, Commercial Ventures, Industrial Facilities, Hospitality Establishments, IT Office Spaces, Data Centres, Manufacturing Plants, and Service Sectors.

The Company's track record demonstrates its proficiency in executing diverse projects, encompassing comprehensive construction services such as design, procurement, supply, installation, testing, and commissioning, among others.

**3200 + professionals**
Experienced team

Working on
**75+ projects**
in India

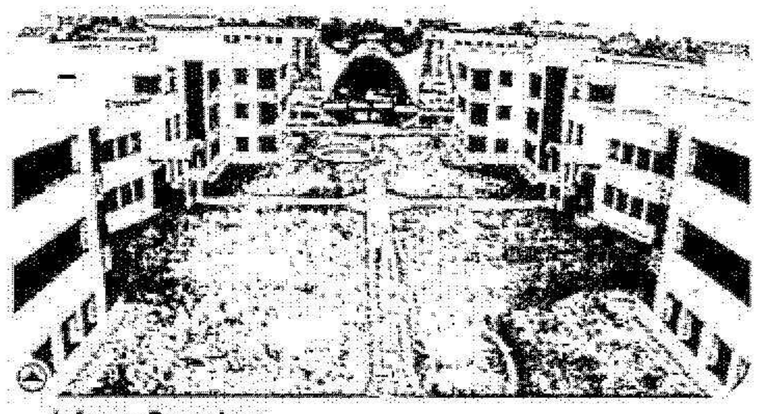
Projects under execution in
**India, Maldives and Seychelles**

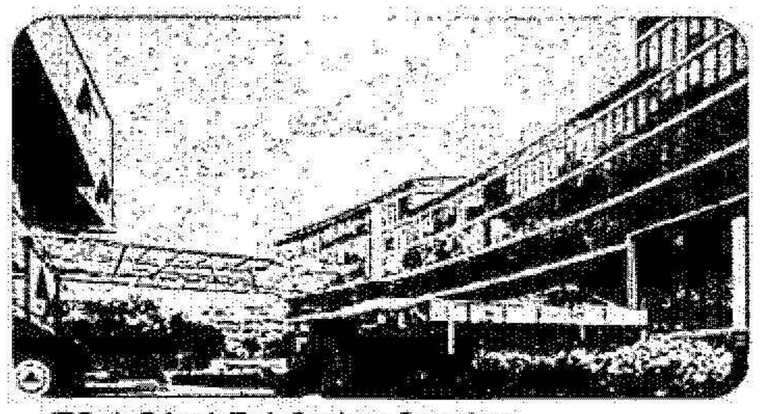
### Key highlights of the year

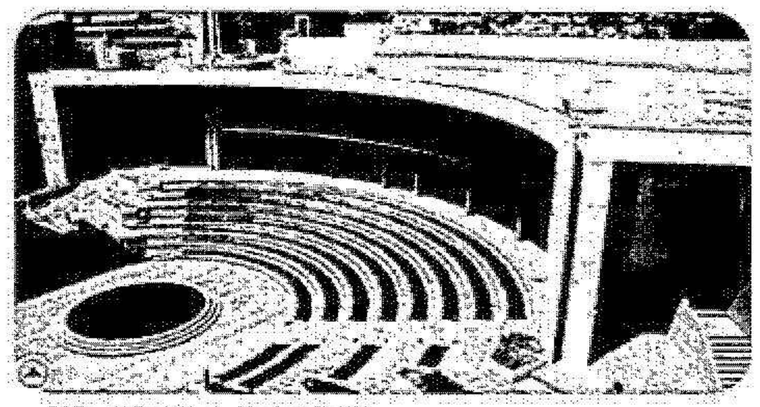
- KPIL's largest ever design & build contract for construction of a large-size residential buildings project in South India with a build-up area of approx. 13 million square feet
- Completed Prestigious IIIT Tirupati, Andhra Pradesh in EPC mode
- Completed Headquarter Building in Kolkata for HDFC bank
- Completed DLF - American Express Commercial Building in Gurugram
- 15 Commercial Projects completed
- 10 Residential Projects completed
- 332 lakhs square feet Built Up Area completed
- Awarded data centre project at Mumbai for a reputed client from Singapore
- Awarded Mineral & Metal Beneficiation Plant for a Large Public Sector Client

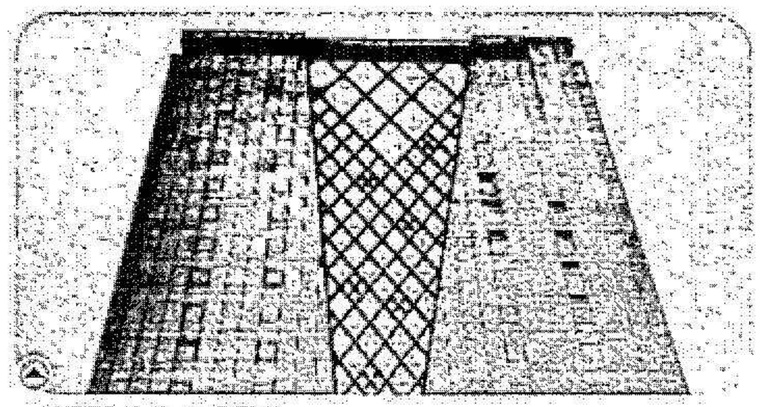
## IT and Commercial Buildings

KPIL continues to be a key contributor to the Indian IT growth story, by becoming a preferred partner to provide a wide-range of construction solutions for IT Parks, office spaces including high-rise towers and green buildings to name a few.

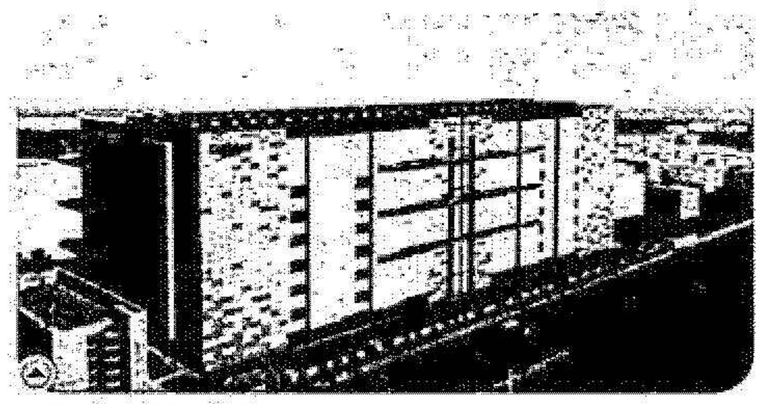

Infosys, Bengaluru

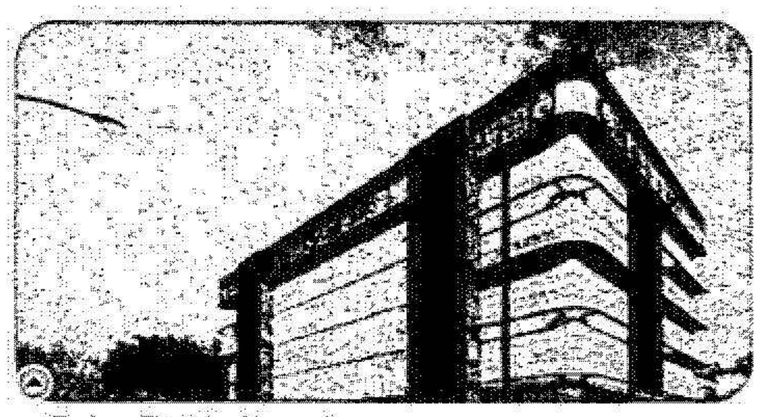

IT Park, BrigadeTech Gardens, Bengaluru


Wipro Campus, Hyderabad


HDFC Kolkata Office

### Data centres

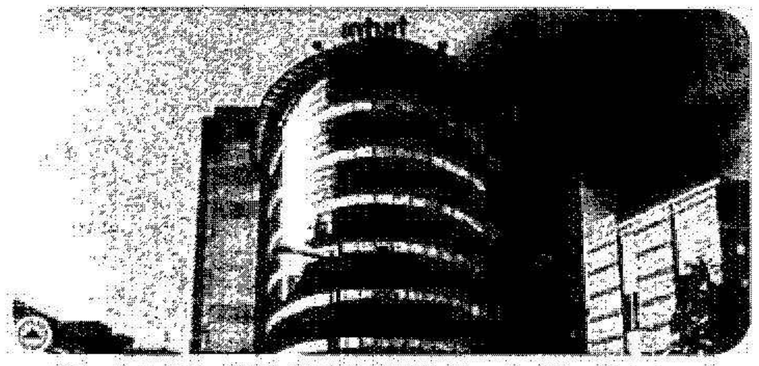

Veritas, Mumbai


Techno Electric, Chennai

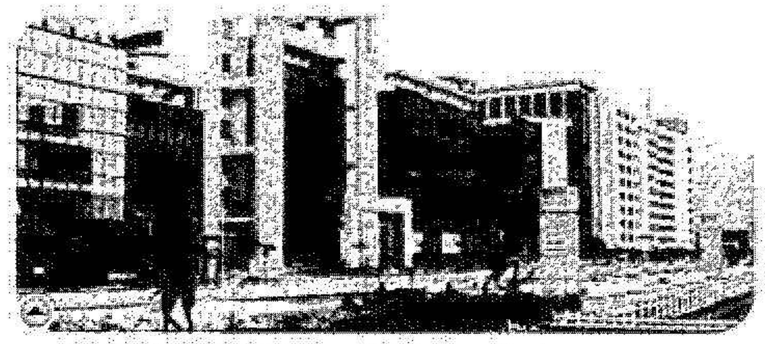
### Green Buildings



Pritech Park II – RGA SOFTWARE, Marathahalli Sarojpura, Bengaluru

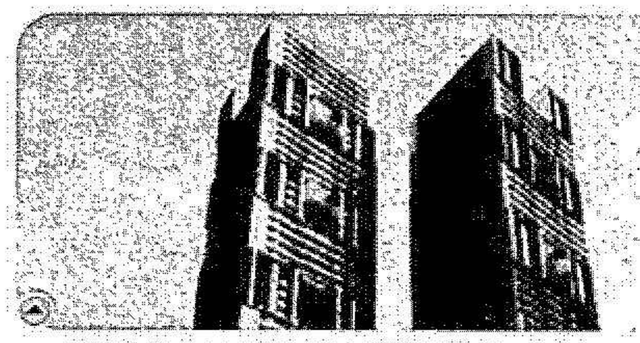


Pritech Park I – RGA SOFTWARE Bellandur, Bengaluru

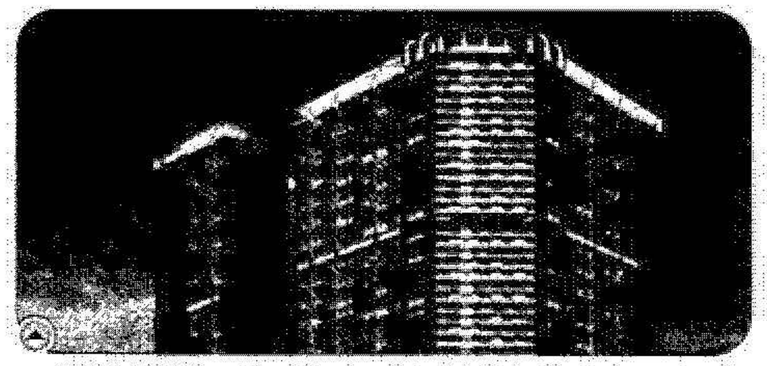


RGA TECH PARK, Sarjapur Road, Bengaluru

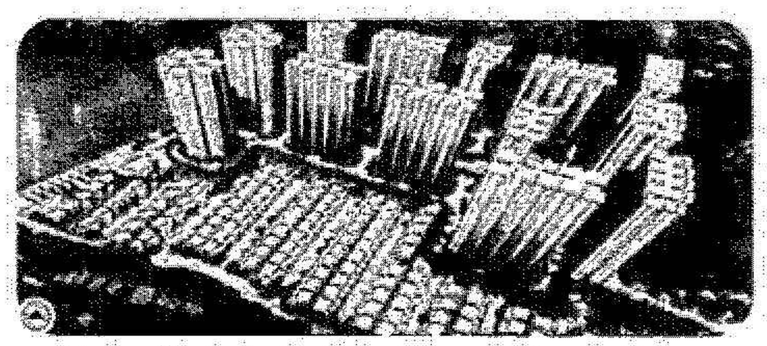
### Residential



Adhiraj Samyama Township (58 storied towers - tallest in Navi Mumbai)



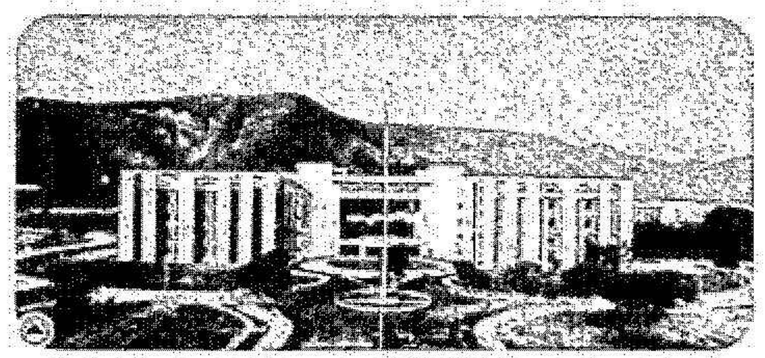
SBUT (Safi Burani Upliftment Trust), Mumbai



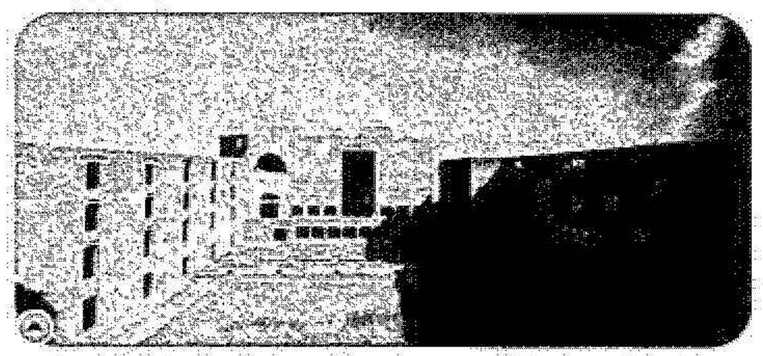
Prestige City Hyderabad (13 million sq ft of residential building project on design built basis)

## Hospitals and Institutional Buildings

Having built several public projects, from super specialty hospitals, medical colleges to support infra and residential facilities, KPIL offers a wide spectrum of end-to-end solutions across the healthcare sector.



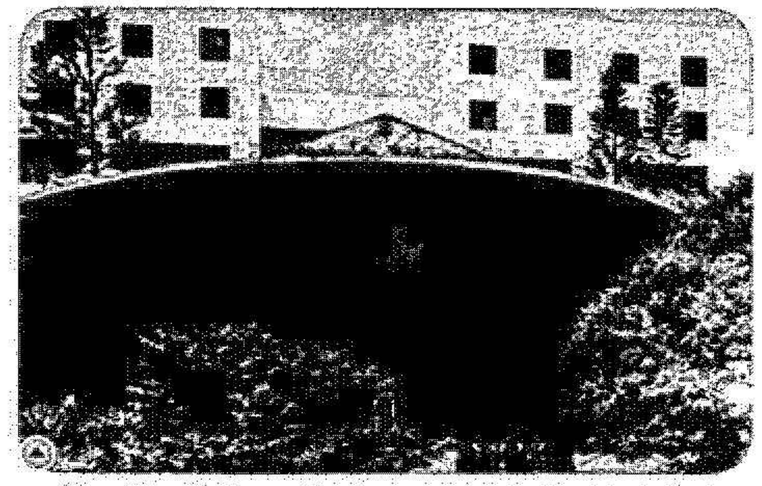
Indian Institute of Technology, Tirupati



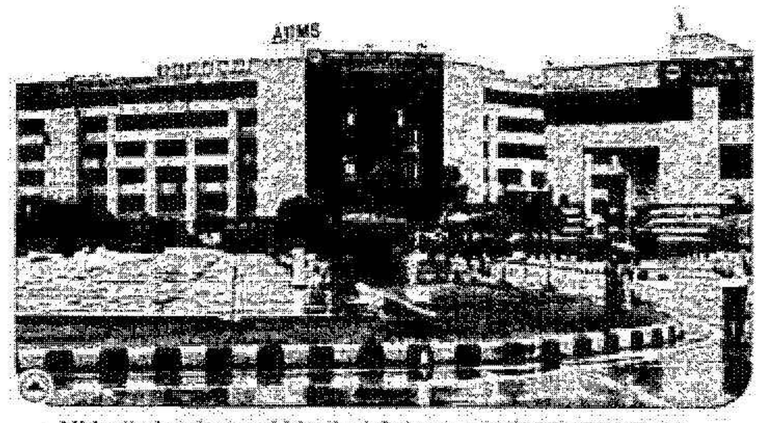
PGPX Campus, IIM Ahmedabad







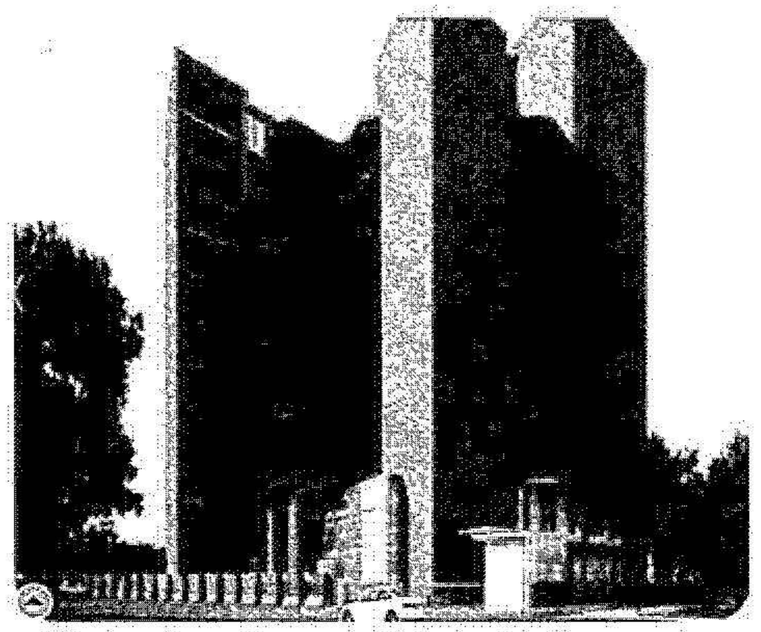
Asian Heart Institute, Mumbai




All India Institute of Medical Sciences (AIIMS), Rishikesh



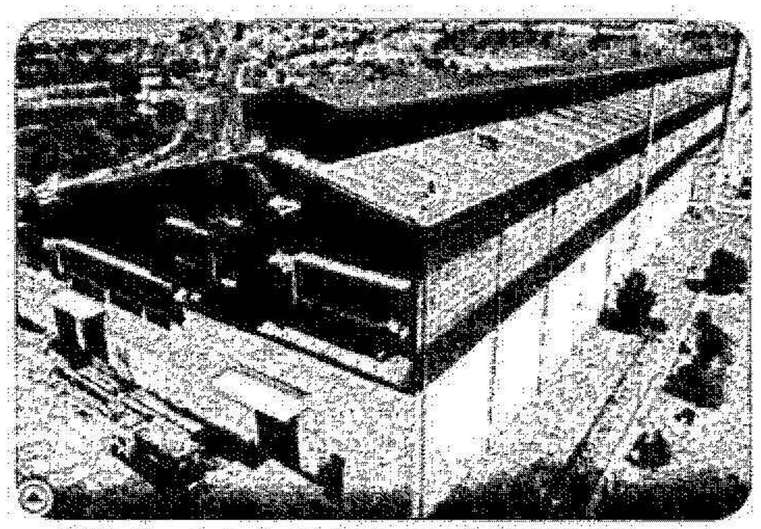

Medanta, Noida



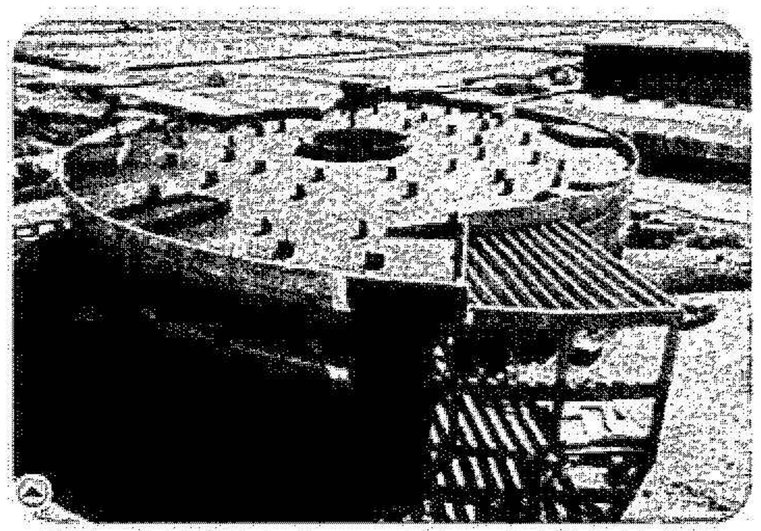
Peerless, Kolkata

## Factories and Industrial Plants

Over the period of time, KPIL has built world class factories, industrial units and power plant structures by leveraging expertise in advanced construction methodologies and techniques.



NLMK Manufacturing Unit, Aurangabad



Mongolia Refinery

2024101800559



# Water



Our water division encompasses a strong portfolio with expertise in various water infrastructure projects across India, Sri Lanka and Maldives. Our EPC solutions cover the entire spectrum of water infrastructure development, from project design to implementation and management. We undertake projects related to supply and distribution, waste management, irrigation and operation and maintenance.

**15 million**
People benefitted worldwide

**7.5 lakhs +**
Homes connections

**6.3 lakhs**
Water meter connections (Since inception)

## Key highlights of the year

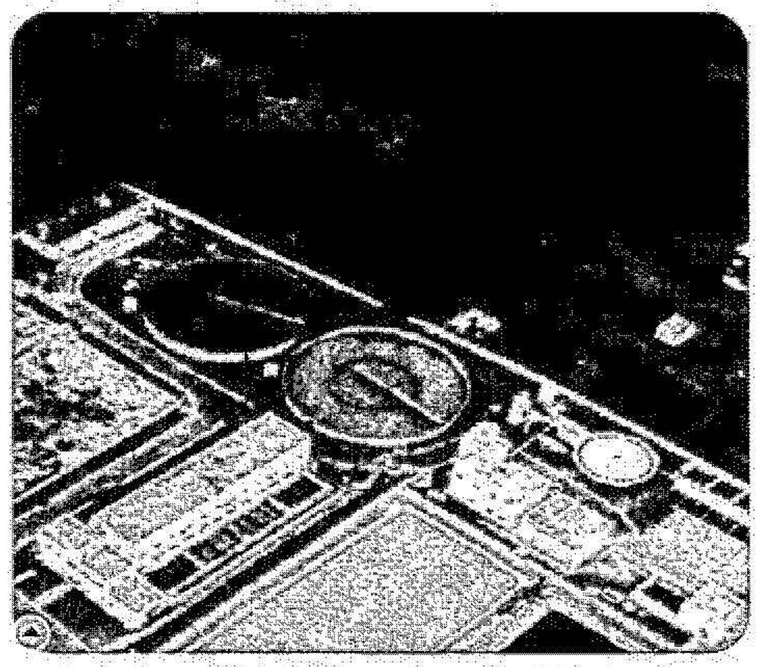
**21,000 km**
Piping laid

**3.9 lakhs**
Water connections done

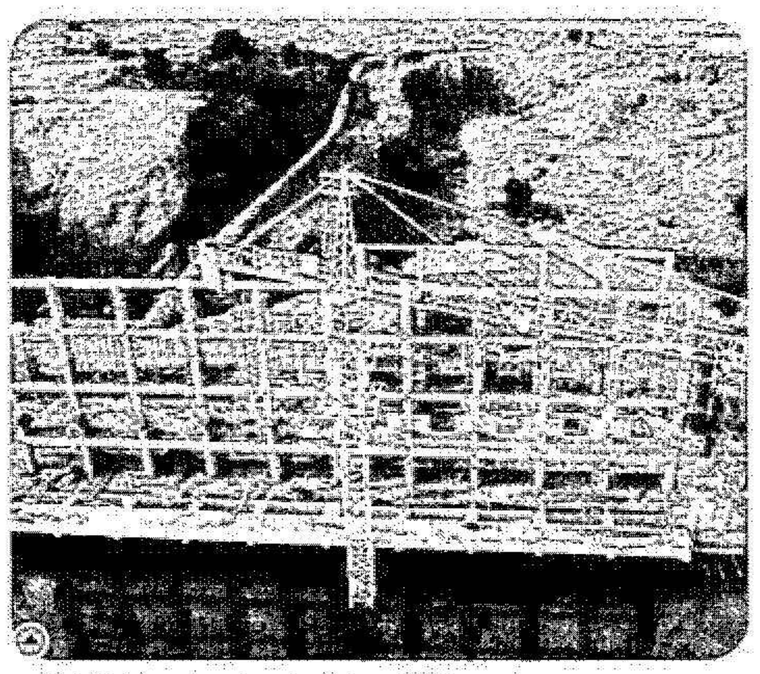




## Drinking water supply and distribution

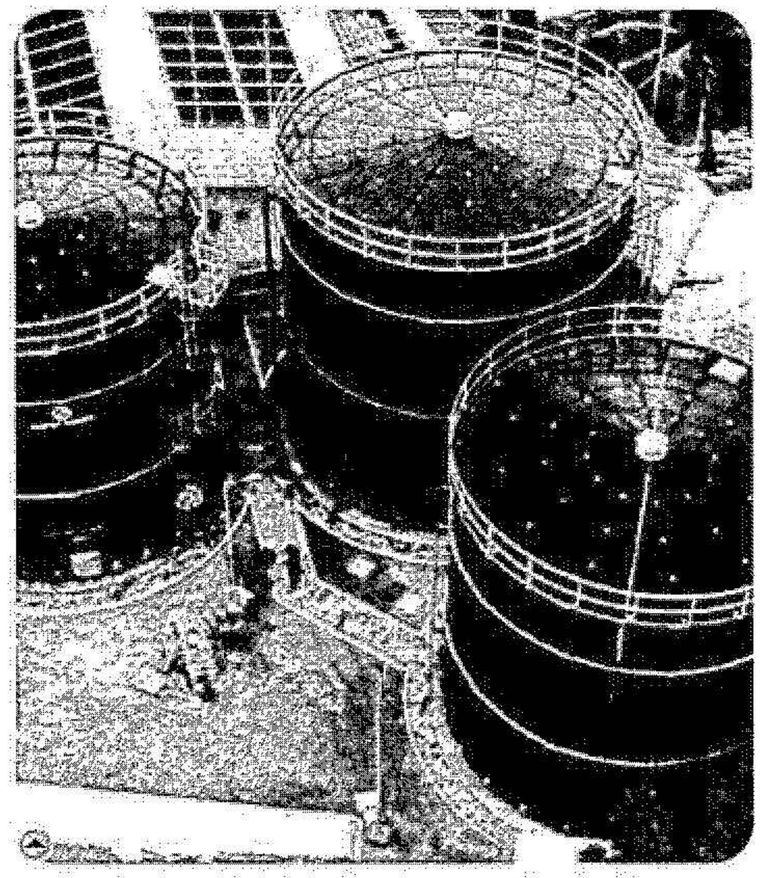


Multi villages 30-50 MLD Capacity Surface Water Supply Scheme (792 km), Bihar



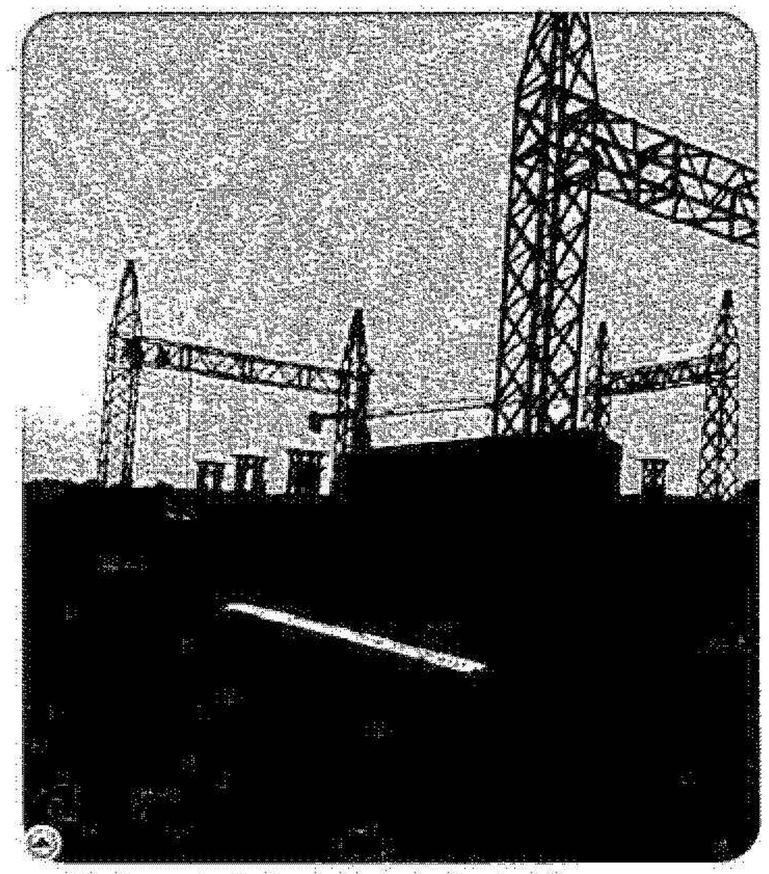
24 MLD Lahchura Water Supply Scheme in Uttar Pradesh

## Wastewater collection and treatment



Construction of water and sewerage facilities including RTP and Admin buildings across 10 Maldivian islands.

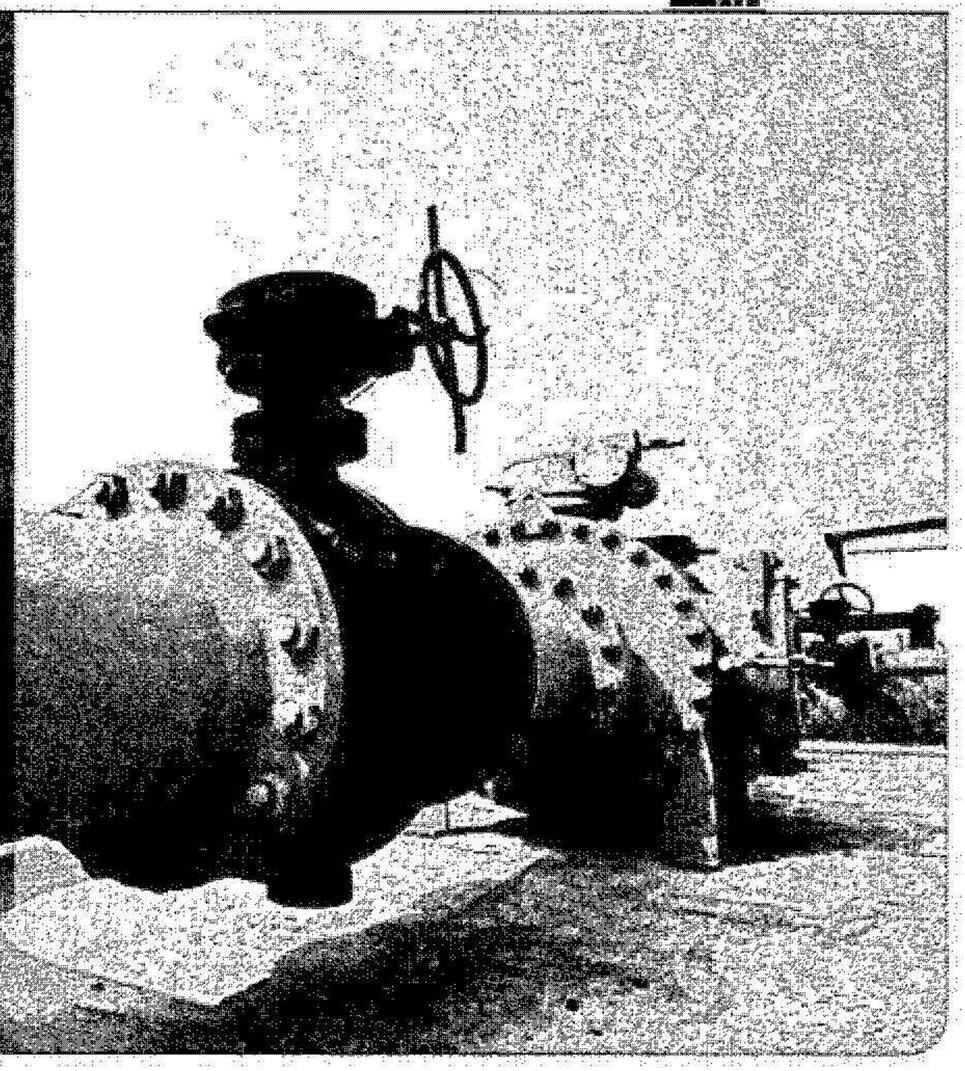
## Irrigation



The Narmada-Jhabua-Petlawad-Thandala-Sardarpur micro-irrigation scheme aims to provide irrigation to over 57,000 hectares of land in Madhya Pradesh's Dhar and Jhabua districts

## Oil and Gas

KPIL undertakes EPC contracting for Oil and Gas cross-country pipelines, LPG import and handling terminals, process plants, gas gathering and compressor stations, oil and gas field development, refineries, and petrochemicals across the globe. The Company has a well-qualified design, engineering, procurement, planning and project control, construction, and commissioning teams that provide end-to-end solutions. With roughly two decades of experience in cross-country pipelines, processing facilities, refineries and fertiliser plants, KPIL has successfully commissioned over 10,000 kms of oil and gas pipelines and embraces best global practices in areas like project management, quality and health safety environment (HSE).



The company has recently received a Letter of Award from Saudi Arabia's energy major, Saudi Aramco, for carrying out EPC works for three packages of the third expansion phase of the Master Gas System Network (MGS-III) in Saudi Arabia. The EPC scope covers the laying of over 800 km of natural gas pipeline.

The MGS-3 aims to expand the existing gas network in order to provide gas supply to various industrial consumers in the region. This expansion of the gas network is expected to enhance the ability to meet the growing energy demand in Saudi Arabia and replace liquid fuel burning, contributing to Saudi Arabia's drive towards a diverse energy mix. KPIL is delighted to be collaborating with Aramco towards supporting energy security and reliability.

**10,000+ km**
of pipelines along with associated works (Since inception)

**19**
Ongoing projects

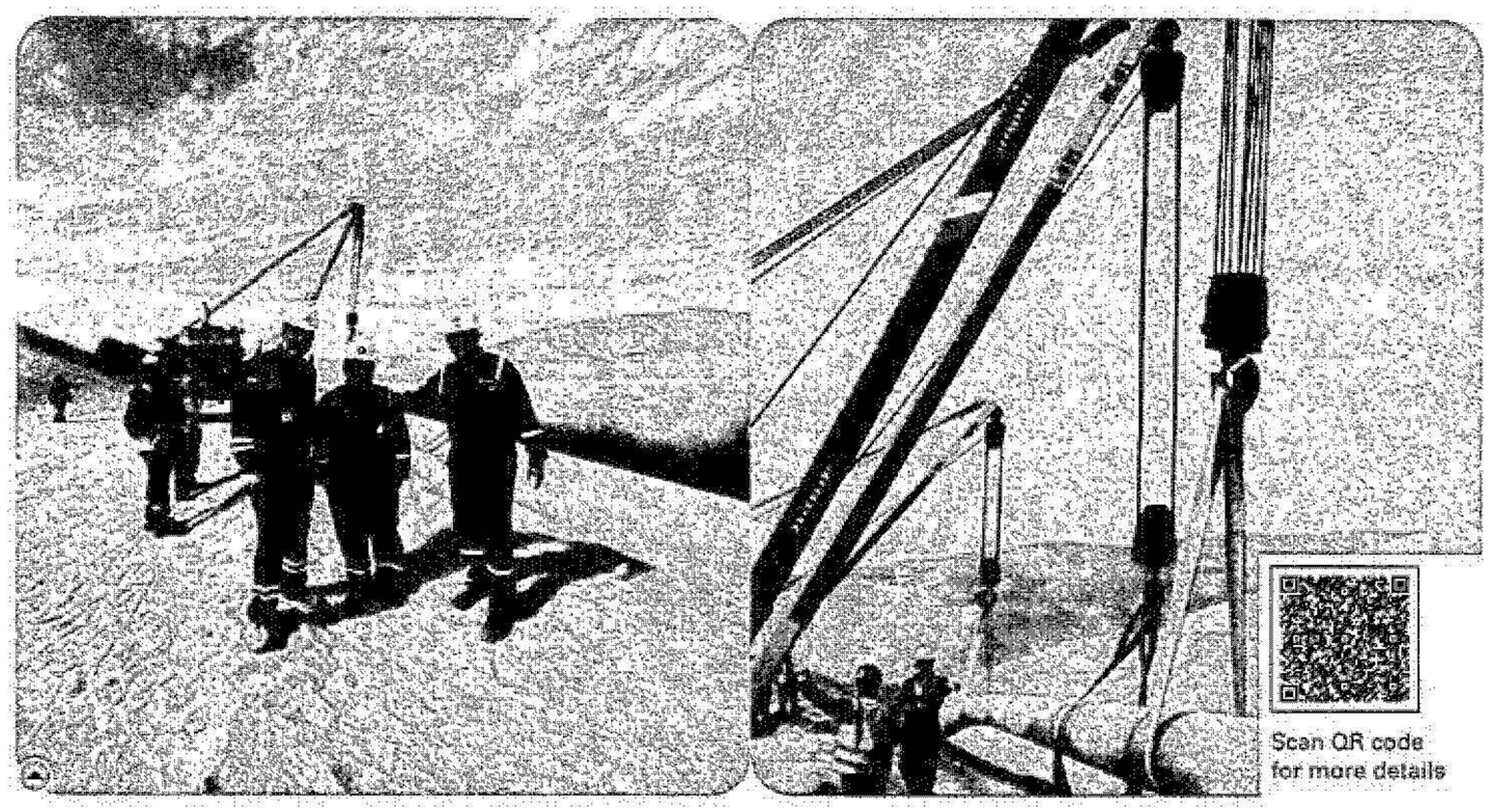
**475+ Intermediate stations**
Pumping stations, Pigging stations, Block value stations etc (Since inception)

### Key highlights of the year

**Large Oil and Gas pipeline order from Saudi Arabia's energy major, Aramco, for EPC works**

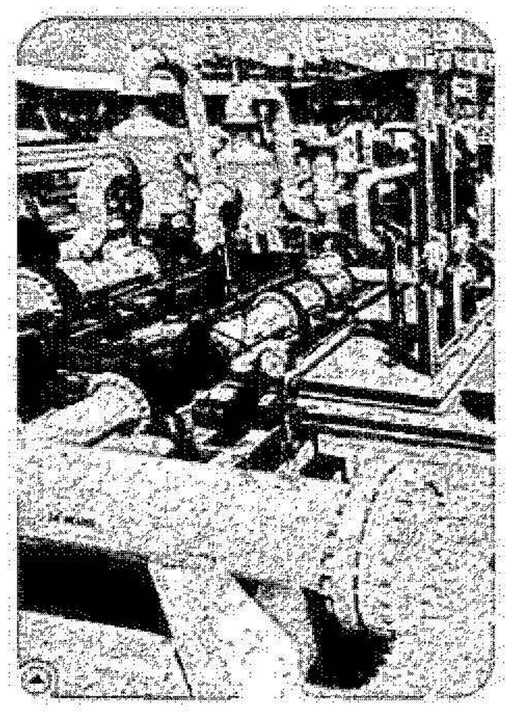
**398 km**
Pipeline Laid

**101**
Number of HDD Completed

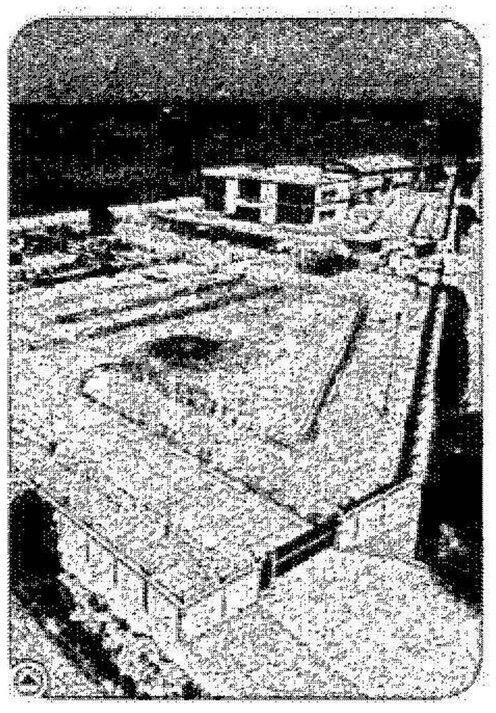


Scan QR code for more details

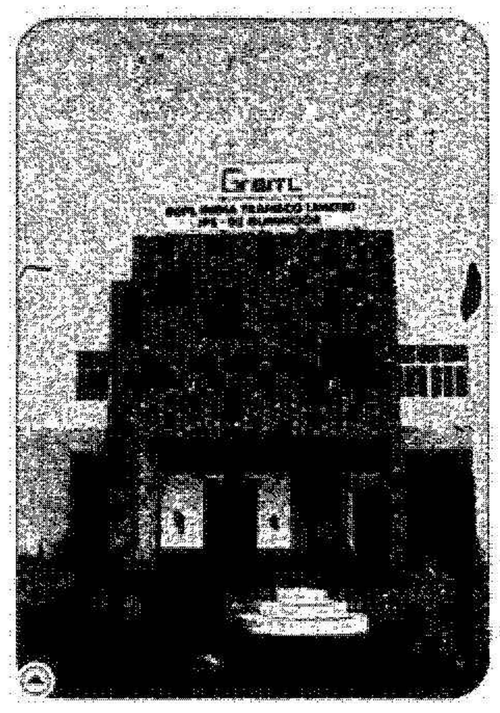
OSGE – ADNOC, Abu Dhabi



Pipeline Replacement Project for Ahmedabad



Mallavaram-Bhopal-Bhilwara-Vijaipur RFCL Connectivity Pipeline Project



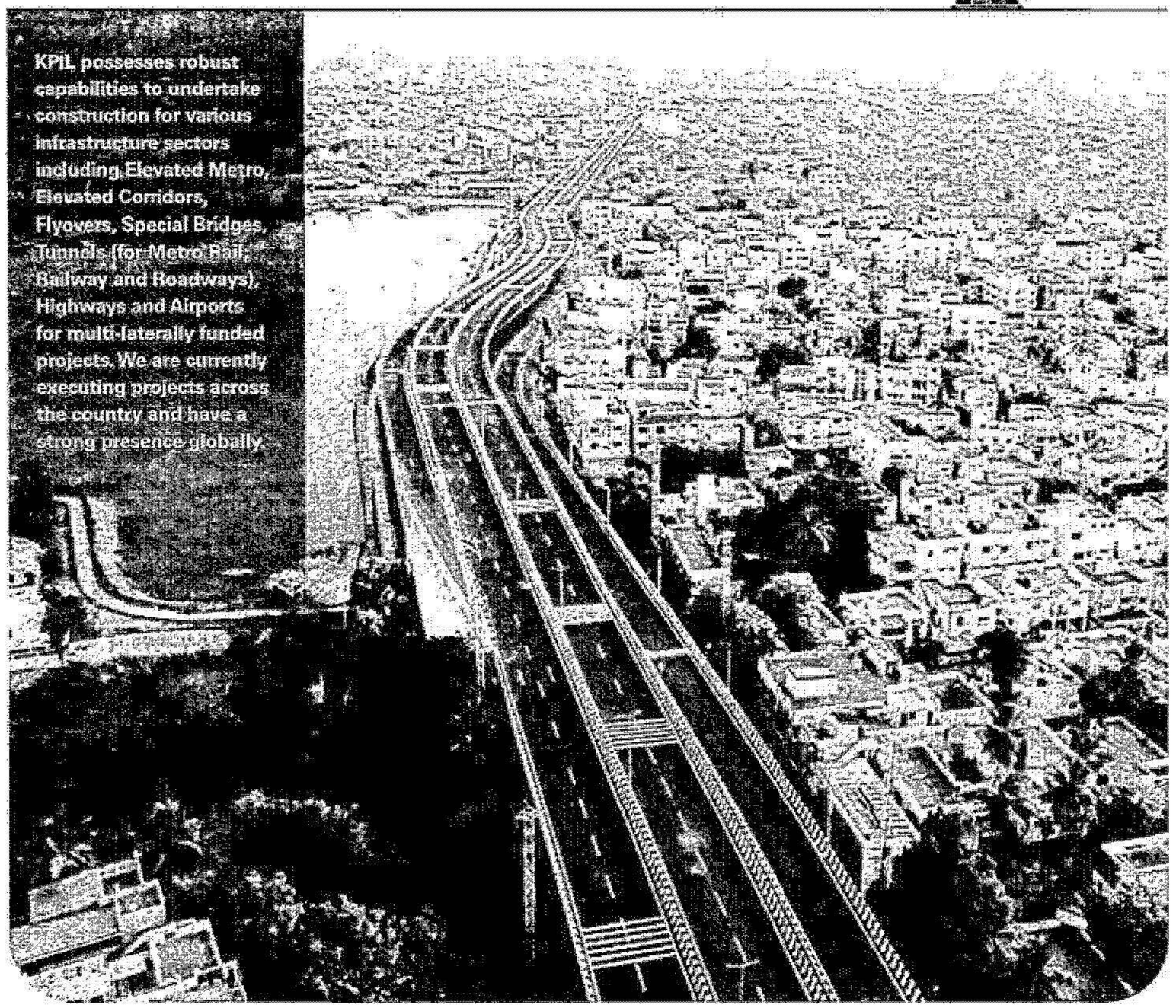
Mehsana Bathinda Pipeline Project, Spread IV – GIGL, Rajasthan

2024101800560



# Urban Infrastructure

**KPIL possesses robust capabilities to undertake construction for various infrastructure sectors including Elevated Metro, Elevated Corridors, Flyovers, Special Bridges, Tunnels (for Metro Rail, Railway and Roadways), Highways and Airports for multi-laterally funded projects. We are currently executing projects across the country and have a strong presence globally.**



**2,500+**
lane kms

**22+ kms**
flyovers

**Projects in India, Ghana, Ethiopia and Maldives**

## Key highlights of the year

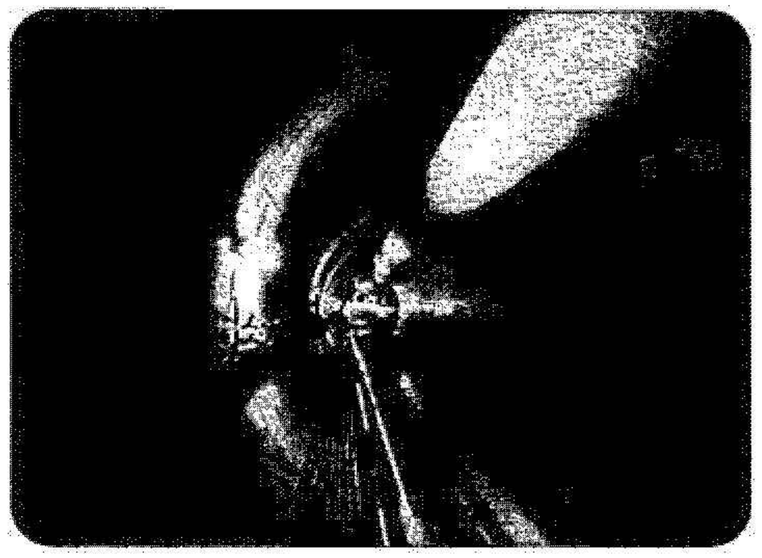
- Forayed into underground metro rail tunnel projects in Kanpur and Bhopal
- Completed Madurai Chettikulam Flyover project - Inaugurated by Hon'ble Prime Minister of India, Shri Narendra Modi





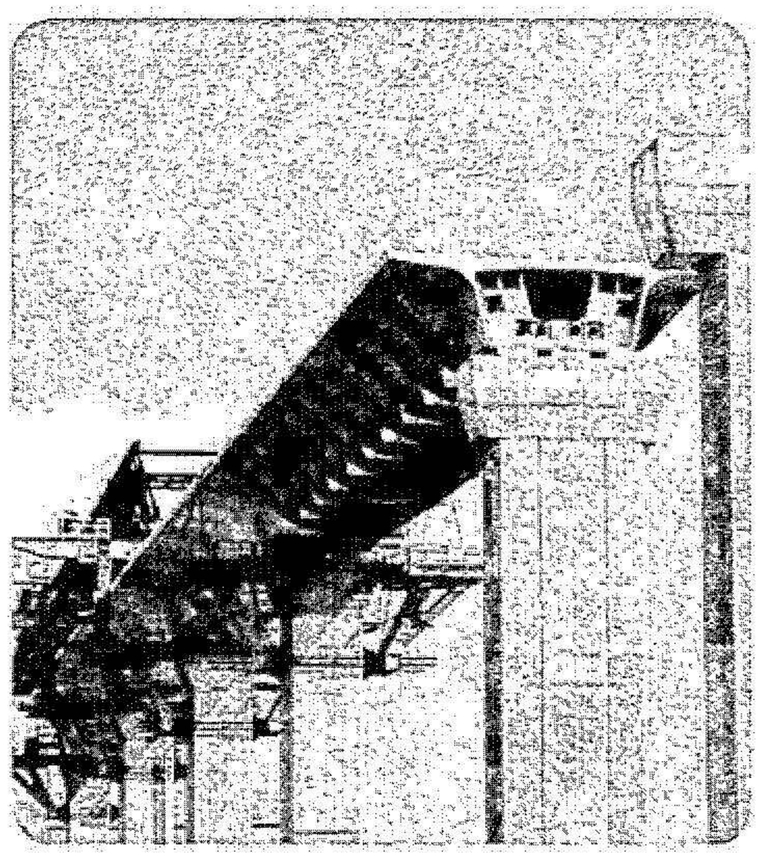
## Tunnels (Metro Rail, Railways and Roadways)

We have an excellent Team of Professionals on-board possessing decades of work experience in harnessing design and construction of Tunnel for Metro Rail, Railways and Roadways in varied geological conditions across the country. Recently, we in consortium with Gulermak, have been awarded a contract for Kanpur Underground metro, Uttar Pradesh and Bhopal underground metro, Madhya Pradesh. Both the packages include construction of TBM Tunnel, cut and cover tunnel, underground stations, underground ramp and elevated ramp. Also, we are participating in upcoming Specialised Tunnel, Metrorail, Railway projects in India.



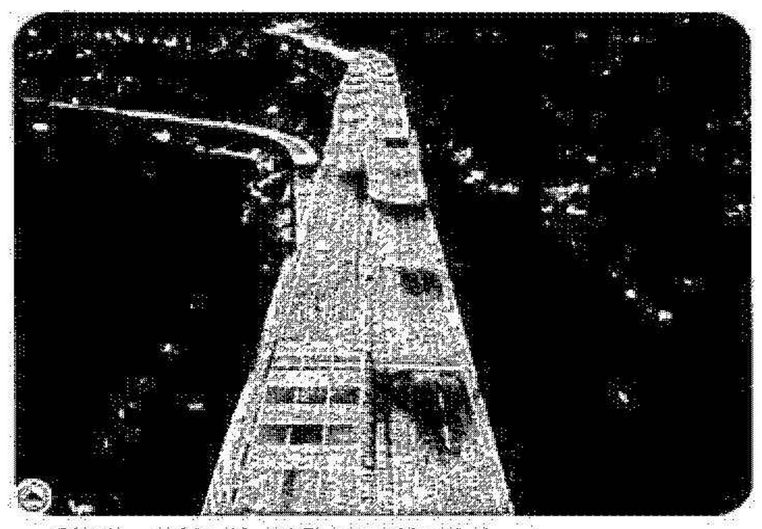
## Elevated Metros

We have successfully delivered Elevated Metro Rail Projects in challenging and congested urban areas such as Delhi and Bangalore. We are currently working on an important connecting link of Elevated Metro Project at Kanpur City in Uttar Pradesh.

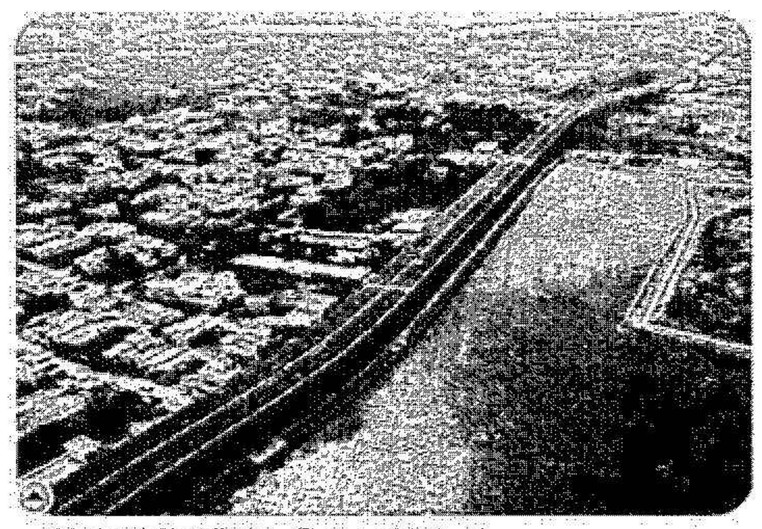


## Elevated Corridors, Flyovers and Special Bridges

We are equipped with the latest fleet of equipment, backed with technology to provide end-to-end turnkey solution for executing different types of structure over the ground and above water bodies.



Ghatkopar Mankhurd Flyover, Mumbai

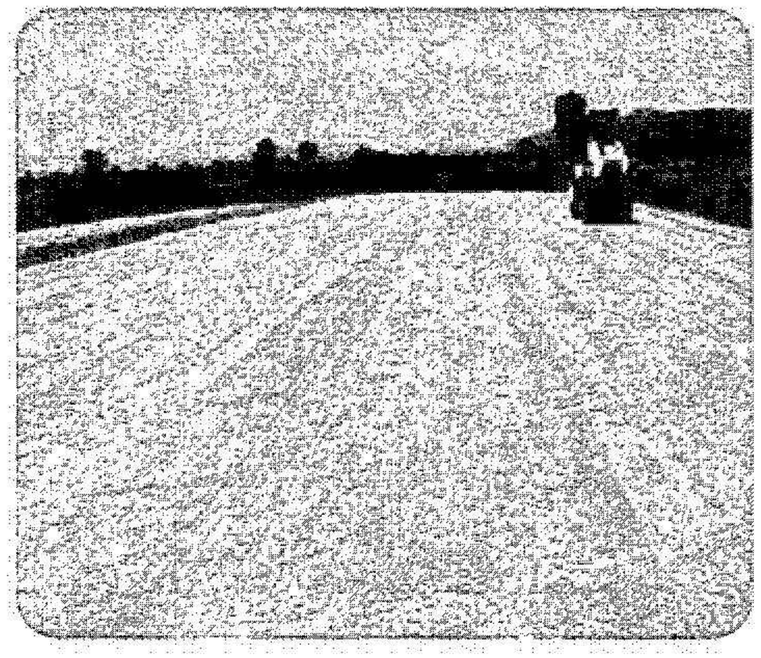


Madurai Chettikulam Flyover, Madurai

## Highways

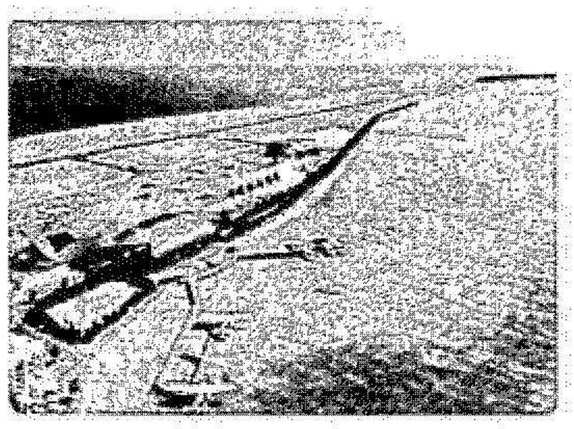
Projects of 2,500+ lane km have been executed at different parts of the country including BOT projects of 1,030 Lane km worth ₹22 billion which have successfully commenced operations.

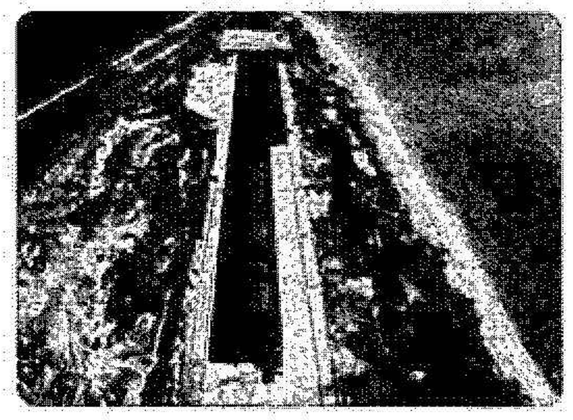
**Ethiopia -Djibouti Transport Corridor Project Phase I, Design and Build of Adama -km 60 Expressway.**

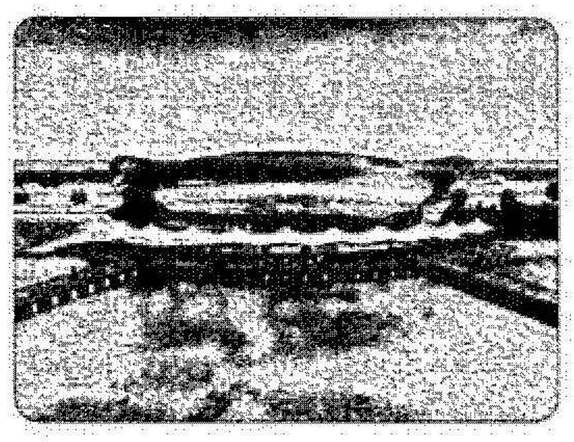


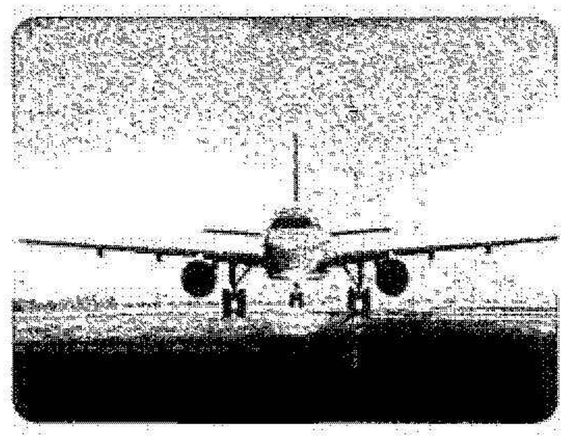
**Construction Works of Mombasa – Nairobi – Addis Ababa Road Corridor Phase II 109.33 km, 2 laning, connecting Mega to Moyale in Ethiopia**











## Airports

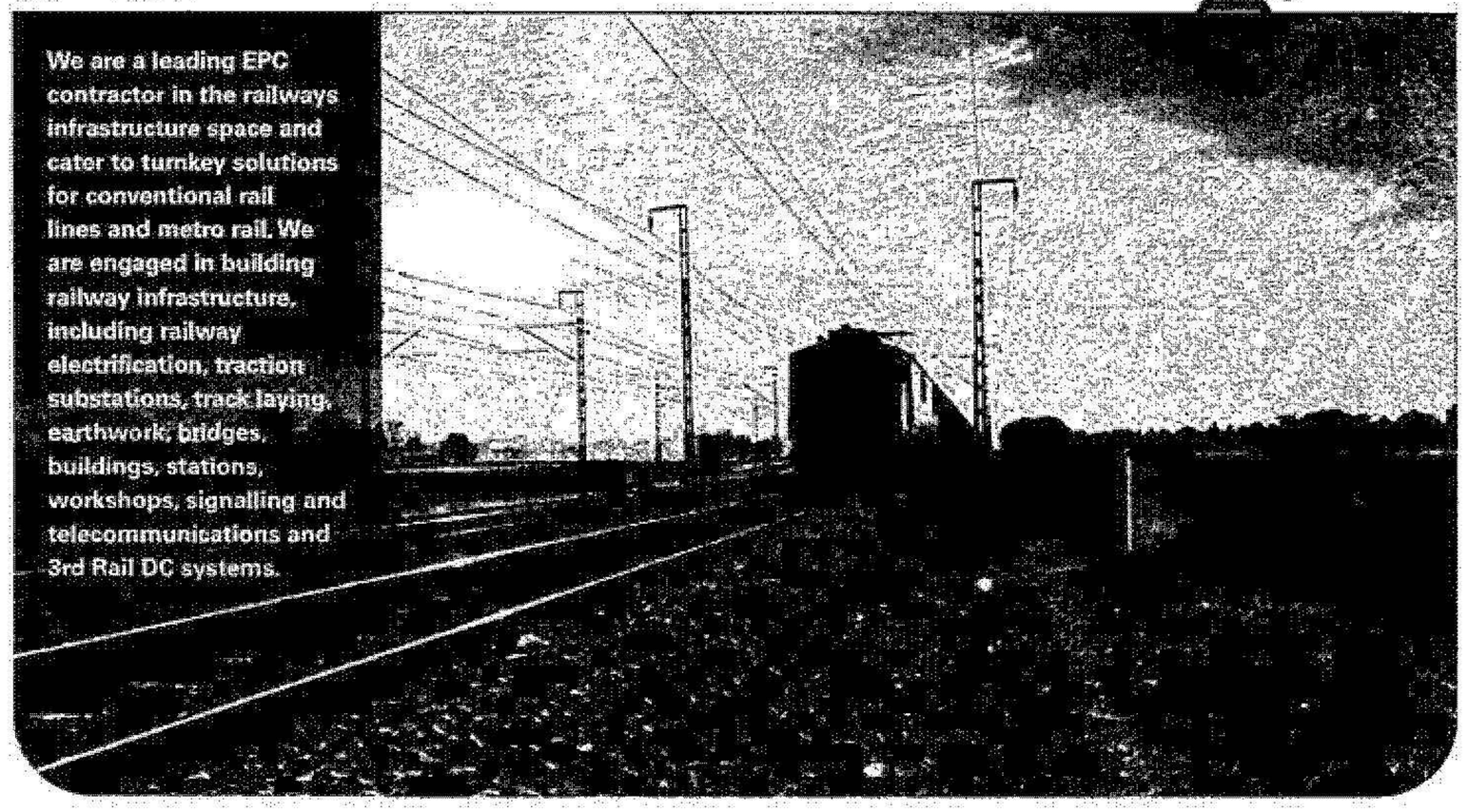
The prestigious Maldives Hanimaadhoo International Airport Development Project was awarded to us in the year 2022. Project includes major infrastructure and operational upgrades on airside, landside and building infrastructure to meet the future growth of traffic to the Maldives, the northern region in particular. Some of the key projects handed over in the past include Ahmedabad Airport (Sardar Vallabhbhai Patel Airport) and a Heliport Aamby Valley at Lonavala.





## Railways

**We are a leading EPC contractor in the railways infrastructure space and cater to turnkey solutions for conventional rail lines and metro rail. We are engaged in building railway infrastructure, including railway electrification, traction substations, track laying, earthwork, bridges, buildings, stations, workshops, signalling and telecommunications and 3rd Rail DC systems.**



### Key highlights of the year

**8,800+ Tkm**
Total electrified Network (Since Inception)

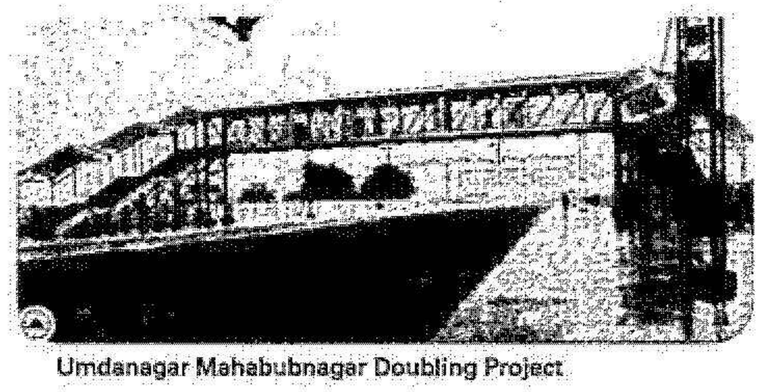
**20%**
KPIL's contribution to Indian Railway's electrification

**915 Route km, 1,298 Track km**
Electrification done in FY

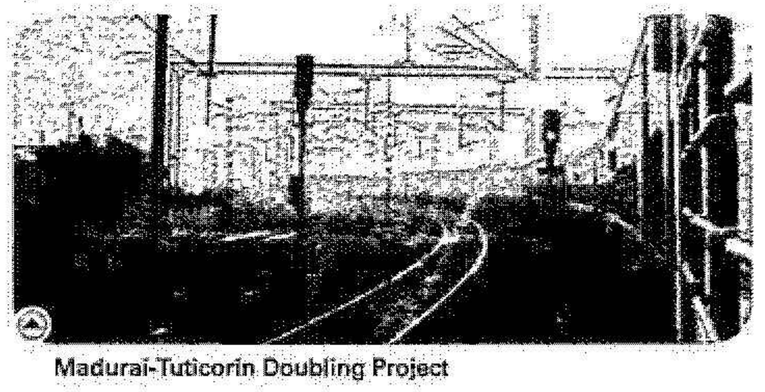
**155 km**
Total Railway tracks commissioned

## Civil Works

KPIL has proven expertise in Design and Construction of state of the art Railway Infrastructure, Station Buildings, Railway Staff Quarters, Platforms, Major and Minor Bridges, RUBs, FOBs and other passenger amenities.



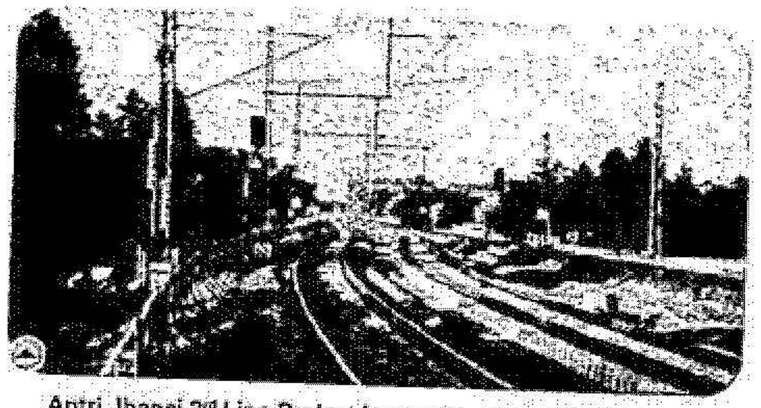
**Umdanagar Mahabubnagar Doubling Project**



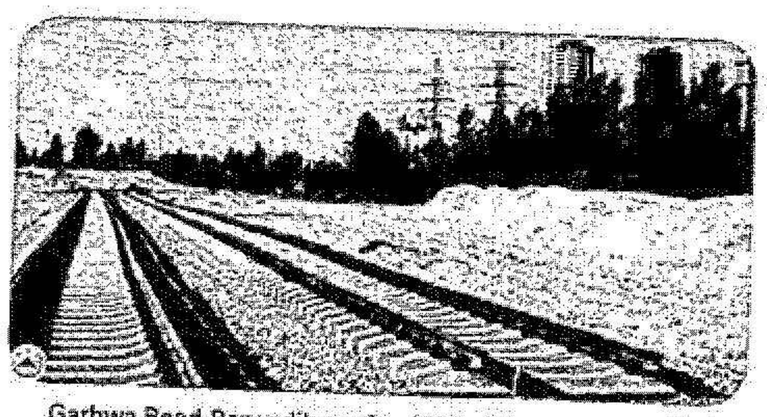
**Madurai-Tuticorin Doubling Project**

## Track Works

KPIL has executed doubling and third line projects for Indian Railways and is also executing a track work project for Bangladesh Railways. We have laid around 500 kms of track of which more than 60% has already been commissioned. Gauge conversion and track modification are some other areas of track expertise of KPIL.



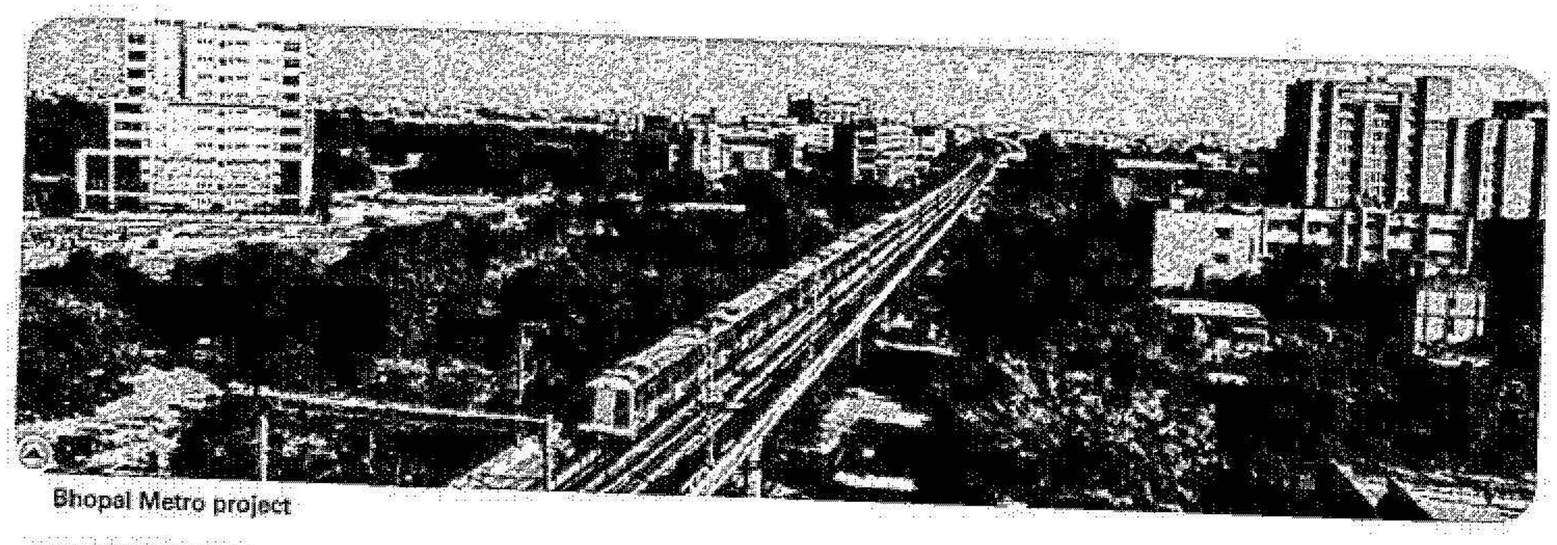
Antri Jhansi 3rd Line Project is part of a larger 274 km Mathura-Jhansi line adding extra capacity to a key north-south corridor.



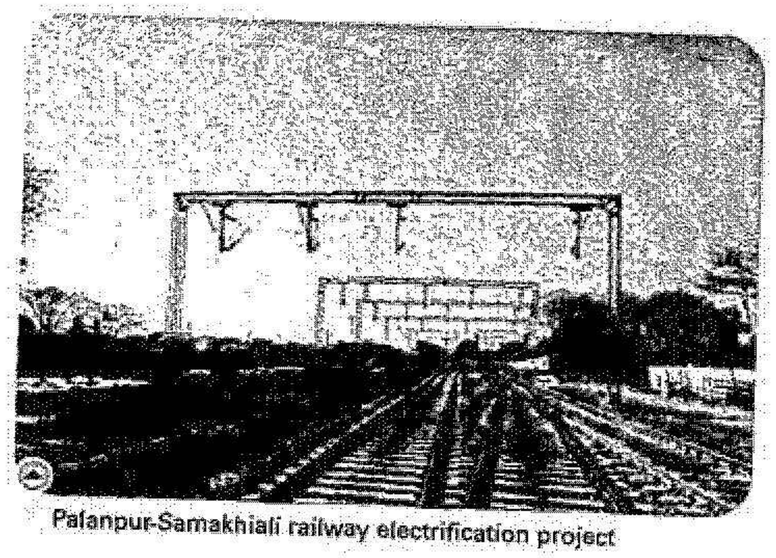
Garhwa Road-Barwadih section (61 km) is part of a larger 291 km Son Nagar-Patratu 3rd railway line project aimed at improving coal transportation and connectivity in Jharkhand.

## Railway and Metro Electrification

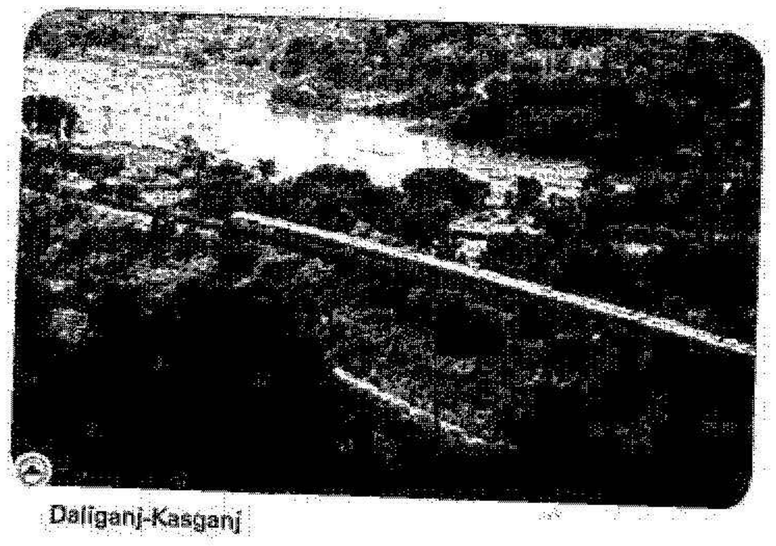
KPIL is one of the leading players in the country in the Railway Electrification space. Over the past four years, KPIL has electrified nearly 20% of the total routes electrified by Indian Railways. It has recently forayed into the space of Metro Electrification and is currently executing third rail systems projects for Indore and Bhopal Metros, as well as ROCS for the Delhi Metro project.



Bhopal Metro project



Palanpur-Samakhiali railway electrification project



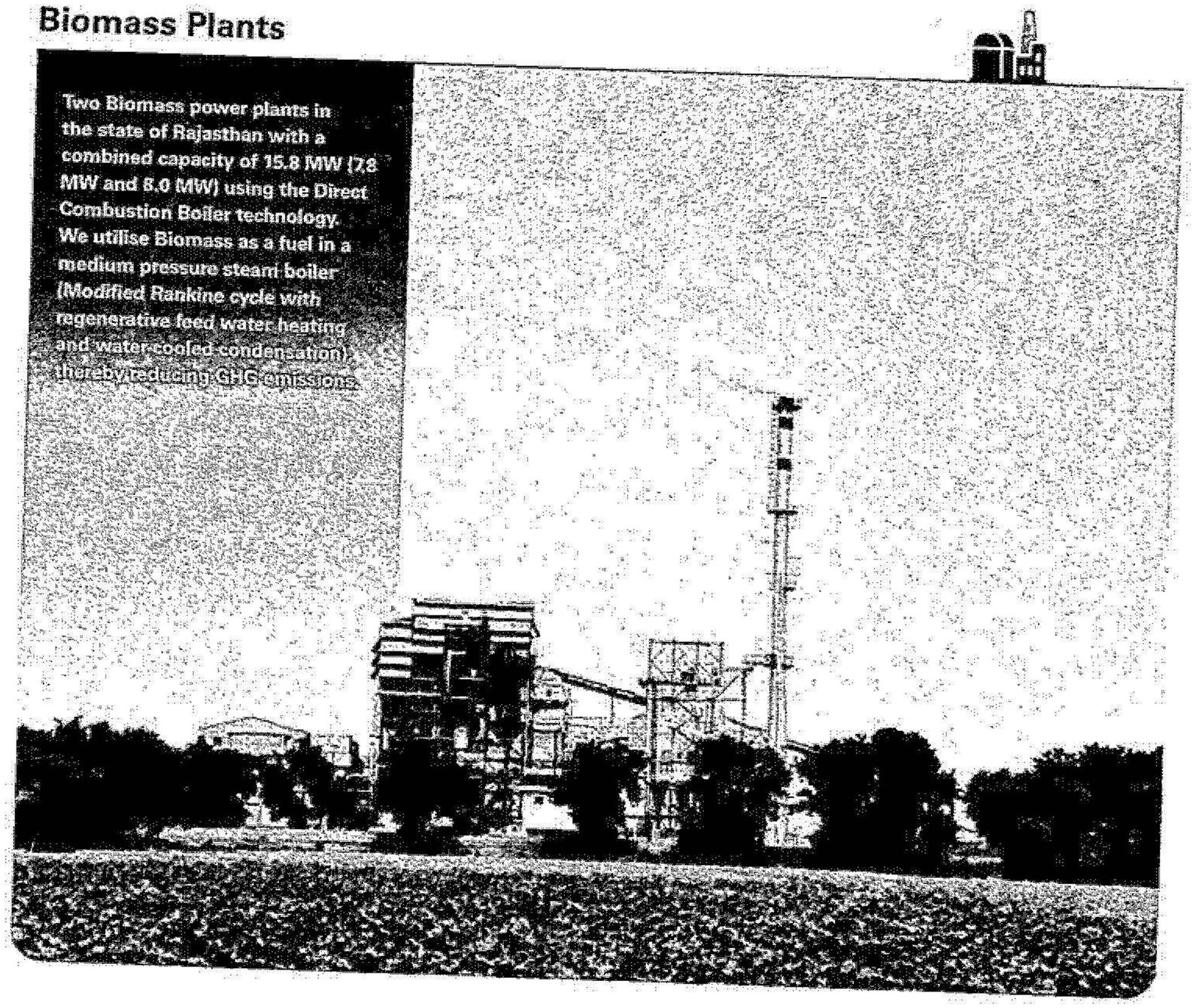
Daliganj-Kasganj





## Biomass Plants

Two Biomass power plants in the state of Rajasthan with a combined capacity of 15.8 MW (7.8 MW and 8.0 MW) using the Direct Combustion Boiler technology. We utilise Biomass as a fuel in a medium pressure steam boiler (Modified Rankine cycle with regenerative feed water heating and water-cooled condensation), thereby reducing GHG emissions.



In our journey towards zero-waste, the ash (fly ash and boiler bed ash) generated as by-products is utilised by cement plants, in construction activities, as fertilisers or for landfilling work.

Societal Impact: Network of **over 2,800 farmers** who supply the MCR supply. Since the setting up of these plants, the value **of every MT of MCR has gone up by over 450%.** Hence enabling farmers to establish an alternate source of income from the farming waste.

Environmental Impact – **Reduction in Carbon Emissions** under the Clean Development Mechanism.

Procure, process, and use

**150,000 MT**

of Biomass in a year

One of the top companies to get registered with

**UNFCCC**

in 2005 and 2008

**Gold Standard Certification**

in 2009 for Tonk plant and 2012 for Ganganagar plant

Benefited from

**CERs**

**(Certified Emission Reduction)**

generated from its Ganga Nagar plant for 10 years and Tonk plant for 12 years.

Progresso Sustentável

# Sustainable Progress

Progrès durable

Hållbara framsteg

2024101800562





# Our Value Creation Model

## Inputs

### Financial Capital
**(On a Standalone basis as of 31st March 24)**

- Total equity of **₹ 5,750 crores**
- Long term debt: **₹ 1,543 crores**
- Short term debt: **₹ 1,720 crores**

### Manufactured Capital

- **250+** live projects across 6 high-growth businesses
- Successfully commissioned with **12,000 MT** per year scaffolding production capacity.
- **₹ 30,000+ cr** of order inflow in FY2024
- Tower Structure Fabrication capacity of **2,40,000 MT** annually

### Intellectual Capital

- R&D Expenditure **₹19.68 crores**
- IT systems & processes
- Design & Engineering Capabilities

### Human Capital

- No of employees and workers (Permanent): **8,441**
- Contractual employees and workers **13,784**
- HR policies focusing on work-life balance, training, global learning opportunities and retention programmes
- 100% employees covered under Health and Accidental Insurance
- **10,656** Total employee training man-hours

### Social and Relationship Capital

- CSR spend **₹ 9.52 crores**
- **15,000+** Vendor partners

### Natural Capital

- Investment in renewable energy projects/installation
- **1,185,461 GJ** Energy Consumption
- **2,454,699 KL** Water Consumption
- Investment in waste management (ZLD, STP, ETP)

## Inputs

### GOVERNANCE

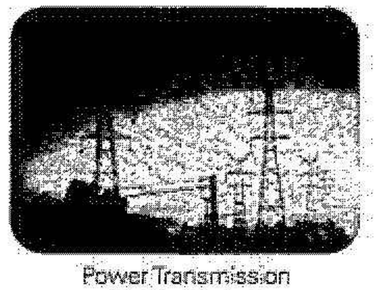
**VISION**

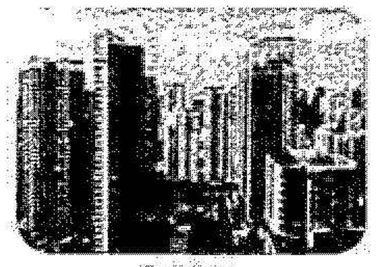
To be the foremost global player in all the business verticals we operate in and we will achieve this by adhering to our core values.

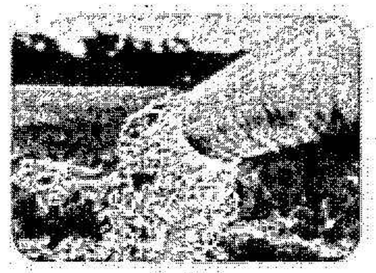
**VALUES**

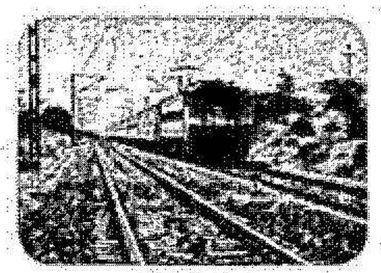
Pride | Customer centricity | Respect | Business ethics | Team work | Quality

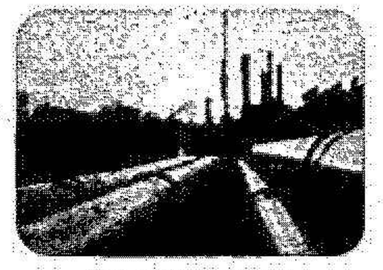
### BUSINESS DIVISIONS

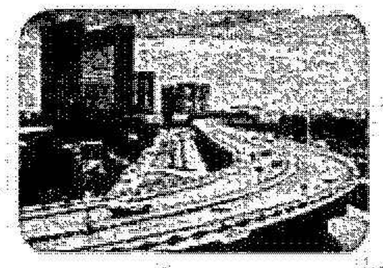

Power Transmission & Distribution


Buildings & Factories


Water


Railways


Oil and Gas pipeline


Urban infrastructure

EXTERNAL ENVIRONMENT | RISK MANAGEMENT | STRATEGY | PERFORMANCE | OUTLOOK

## Outputs

### Standalone Financials

- **₹ 16,760 crores** of Revenue (17% y-o-y growth)
- Dividend : **₹ 8** per equity share
- **₹ 533 crores** of PAT
- **14.8%** ROCE (Based on average capital employed)

### Manufactured Capital

- T&D: **2,765** Towers erected **1,794 CKM** of stringing done
- B&F: **332 lakhs** sq. ft.built up area completed
- **21** residential & commercial projects completed
- Water: **21,000 km** pipeline laid; **38%** increase compared to FY 2022-23.
- Oil and Gas: **398 km** gas pipeline commissioned; **101** no's Horizontal directional drilling done
- Railways: **915 RKM** railway electrification executed
- Urban Infra: Won 2 Underground Metro Projects – Bhopal & Kanpur **9+ km** of tunnel in FY 2023-24

### Intellectual Capital

- 3D Cloud Platform
- Facial Recognition Technology
- IoT & Analytics Platform
- Digitisation in sustainable sourcing

### Human Capital

- **17.99%** Employee turnover rate
- **34,881** Training programmes organised on Health and Safety
- **11,178** Courses completed on Learning Management System
- **0.084** Lost Time Injury Frequency rate (LTIFR)

### Social and Relationship Capital

- **51,000+** Beneficiaries for Healthcare
- **27000+** Children and youth benefited through education and skilling
- ESG consideration for supply chain
- **88.7%** local sourcing
- **10.48%** MSME Sourcing

### Natural Capital

- **5.52** $tCO_2e$/ ₹ cr of Revenue GHG Emissions intensity, reduction of **1.8%** y-o-y
- **92,456** $tCO_2e$ GHG Emissions (Scope 1, Scope 2)
- **70.7** $tCO_2e$/ ₹ cr of Revenue Energy Intensity
- **146.4** KL / ₹ cr of Revenue Water Intensity, reduction of **29.1%** y-o-y
- All plants have ZLD facilities
- **29.2%** of renewable electricity

## Outcomes

### Financial Capital

- Increased geographical reach
- Expanding business operations
- Optimising cost

### Manufactured Capital

- Resource efficiency
- Expanding into newer business domains
- Effective project management

### Intellectual Capital

- Digitised technology
- Revised tower design
- Increased productivity

### Human Capital

- Diversity and inclusion
- Satisfied employees
- Leadership development

### Social and Relationship Capital

- Community development
- Educational facilities
- Environment protection
- Sustainable supply chain

### Natural Capital

- Reduced environmental footprint
- Effective resource use and efficiency

## Stakeholder Engagement

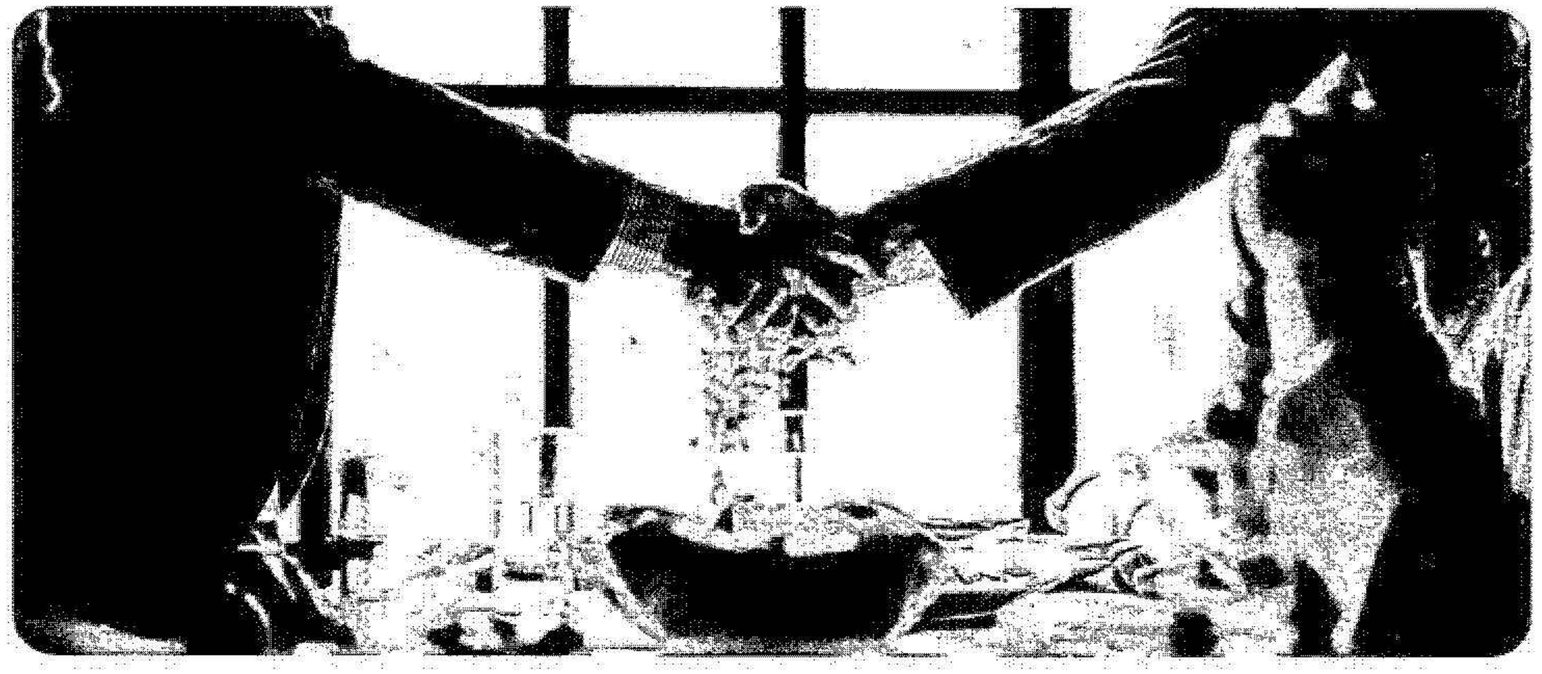
At KPIL, we focus on engaging with stakeholders as it allows us to cultivate mutually advantageous connections with the individuals and groups invested in our operations. Through active involvement in decision-making processes, we glean through their diverse viewpoints, and develop a deeper comprehension of stakeholders' needs and expectations.

At KPIL, we provide a platform for stakeholders to express their concerns and aspirations openly, emphasising transparency and accessibility. By promoting collaboration, we not only fortify relationships but also gain valuable perspectives into the diverse requirements of those we serve., Additionally, through proactive engagement we ensure that our actions align with their interests, fostering sustainable growth for both our organisation and the communities we impact. With these concerted efforts, our aim is to foster trust, inspire innovation, and generate lasting positive outcomes that benefit all stakeholders involved.

| Stakeholder | Engagement Methods | Areas of Importance | Impact on Capitals |
|---|---|---|---|
| Employees | Engagement Surveys<br>Newsletters and Notices<br>Training and Development initiatives<br>Town-halls, get-togethers, cultural events | Employee capability development<br>Career progression<br>Reward and Recognition<br>Fair remuneration<br>Effective performance management and recognition<br>Diverse, inclusive, and enabling work culture<br>Work-life balance | |
| Investors | Quarterly Earnings Calls<br>Investor Conferences, Company Website, Investor Presentations, Press Releases and Annual Reports<br>Communication via print media, such as newspapers,<br>Communication via emails | Financial Performance<br>Ethical, Anti-Bribery and Anti-Corruption practices<br>Risk Modelling<br>Protection of Rights of all stakeholders<br>Strategy for long-term value creation | |
| Customers | Client Meetings<br>Periodic Project Review Meetings<br>Performance Reports | Product pricing<br>Innovation and IT deployment<br>Customer privacy and data protection<br>Customer service and claim settlement<br>Ethical, Anti-Bribery and Anti-Corruption practices<br>Customised solutions | |
| Suppliers | Site visits and inspection<br>Supplier's visits<br>Regular interactions | Ethical, Anti-Bribery and Anti-Corruption practices<br>Transparency<br>On-time settlement of invoices<br>Fair registration and procurement process<br>Sustained business opportunities | |







| Stakeholder | Engagement Methods | Areas of Importance | Impact on Capitals |
|---|---|---|---|
| Communities | Community projects<br>Employee volunteerism<br>Awareness workshops<br>Direct and mediated interactions | Transparency<br>Advancing sustainability<br>Ethical, Anti-Bribery and Anti-Corruption practices<br>Contribution to community welfare<br>Healthier and safer societies | |
| Lenders and Banks | Meetings and correspondence<br>Submission of project reports and presentations<br>Timely submission of financial reports/ quarterly reports and stock statements<br>Regular updates through calls/ meetings | Ethical, Anti-Bribery and Anti-Corruption practices<br>Corporate Governance<br>Transparency<br>Disclosures<br>Regulatory Compliance and Fair Business Practices | |
| Government and Regulatory Authorities | Industry Association presentations<br>Responding to Government circulated whitepapers<br>Forums<br>Statutory Filings and Disclosures | Disclosures<br>Corporate governance<br>Adequacy of solvency<br>Fair and transparent reporting<br>Timely compliances<br>Statutory and legal compliance<br>Support for government policy | |

**Our Capitals**

Financial Capital · Manufactured Capital · Intellectual Capital
Human Capital · Natural Capital · Social and Relationship Capital

# Materiality

We, at KPIL, are cognizant of the materiality assessment and how it is crucial for our company to create value, manage risks comply, with regulations and attain sustainable goals along with developing business resilience

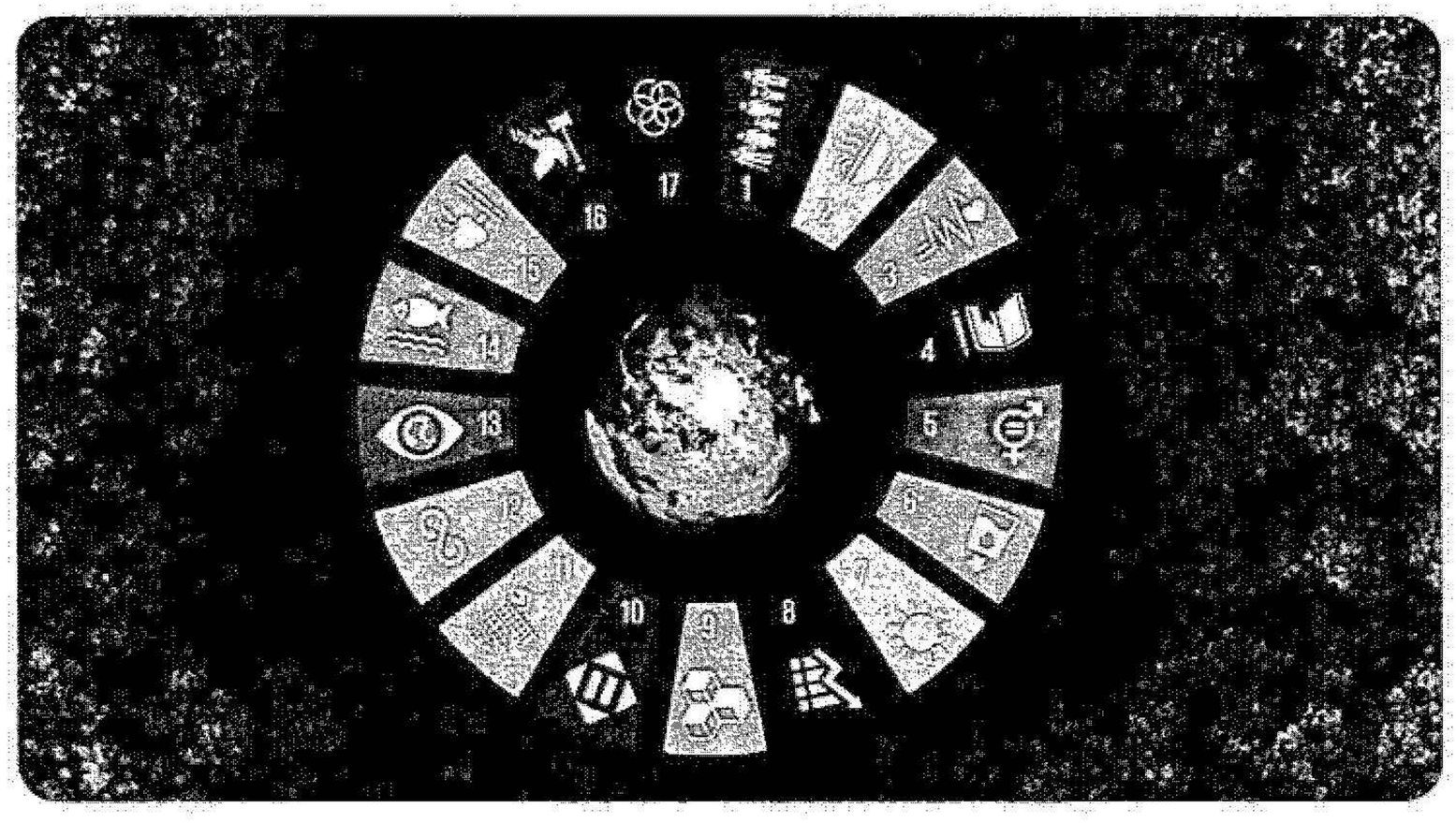
Being in an industry, where market trends and customer preferences shift rapidly, we understand the need to engage stakeholders and address broader sustainability concerns.

In FY 2023-24, we revisited and analysed our previous material issues. Through this assessment, we aimed to provide stakeholders with transparent information about the issues that are most relevant to our company, along with enabling better accountability and trust. The primary intention for the assessment is to deploy our resources and focus on the aspects which are of utmost importance to our company's operations and sustainability efforts.

## Materiality assessment process

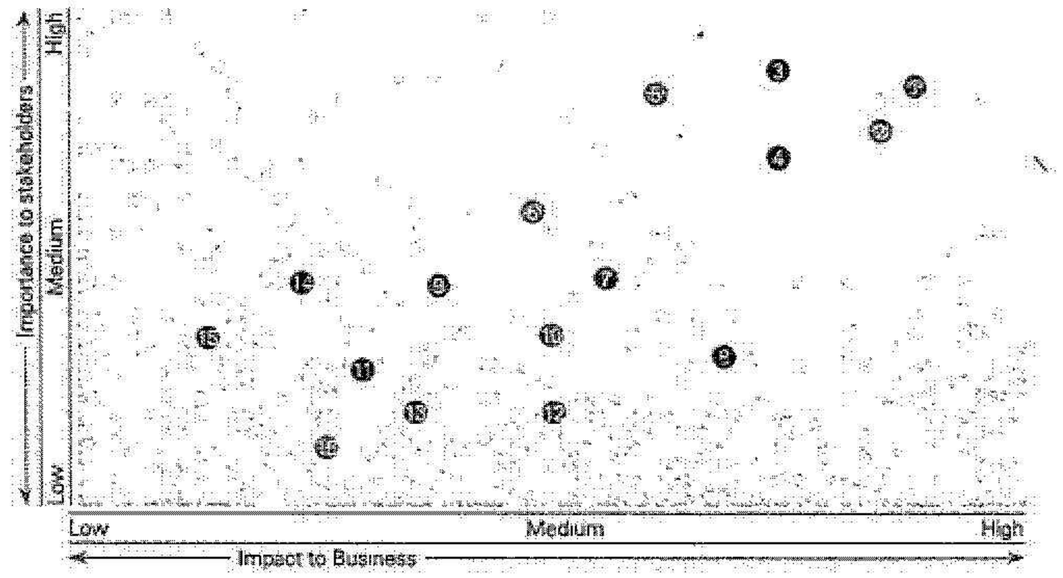
Our materiality assessment process encompassed a thorough evaluation of importance versus impact. We delved into understanding the significance of various issues to our stakeholders and how these issues affect our business operations. By gauging both importance and impact, we ensured that our strategies are not only aligned with stakeholder interests but also effectively address the critical factors influencing our company's performance and sustainability.

- Define purpose and scope
- Define and establish stakeholder groups
- Identify Potential Topics
- Stakeholder engagement for prioritisation (Importance vs impact)
- Establish materiality matrix
- Assess impact



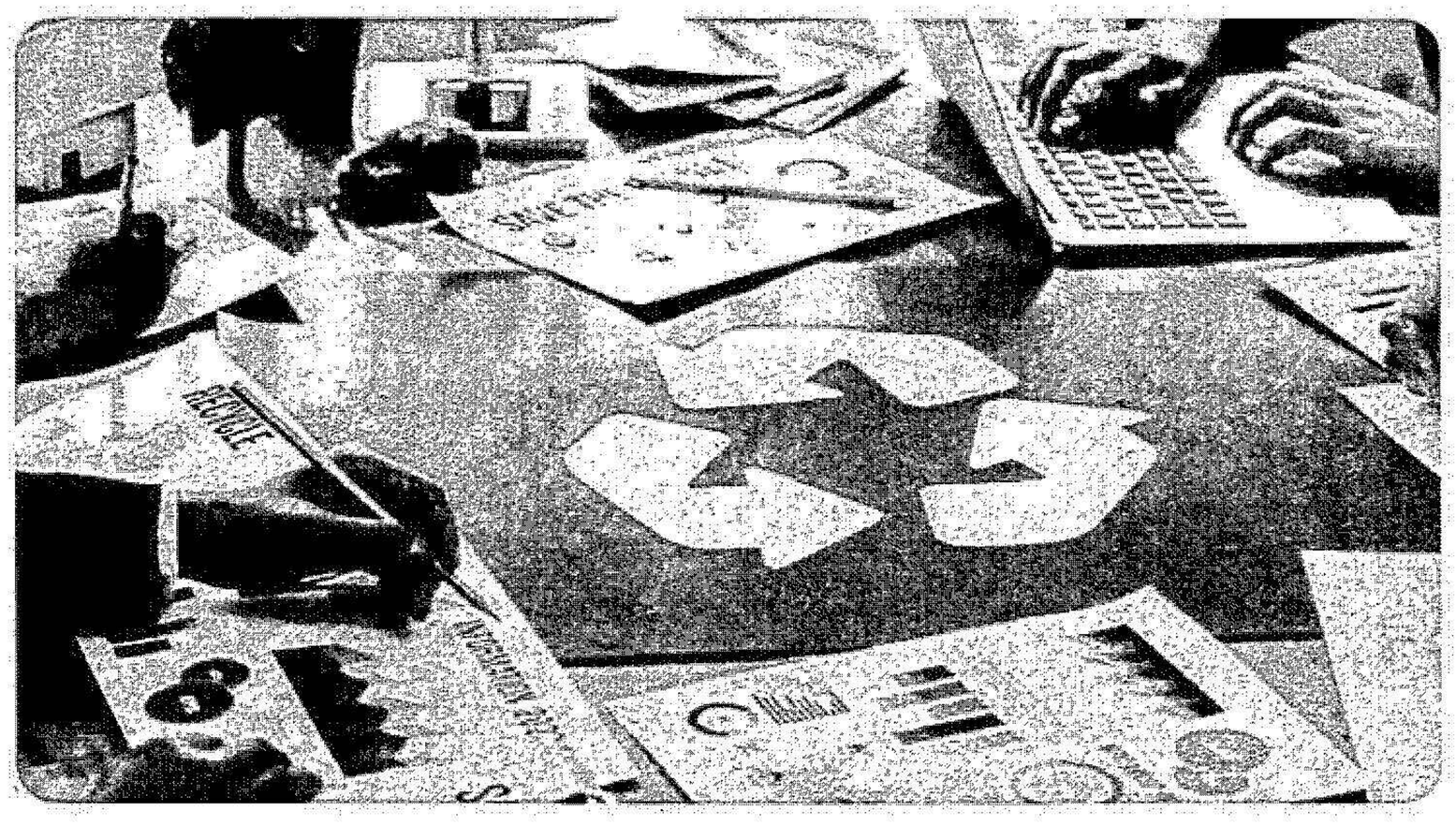
## Materiality matrix

Post analysis, we have identified 16 material issues which are of strategic relevance to us. The issues are assessed based on two dimensions, their importance to the stakeholders and their impact on the business operations.




- Environment
- Social
- Governance

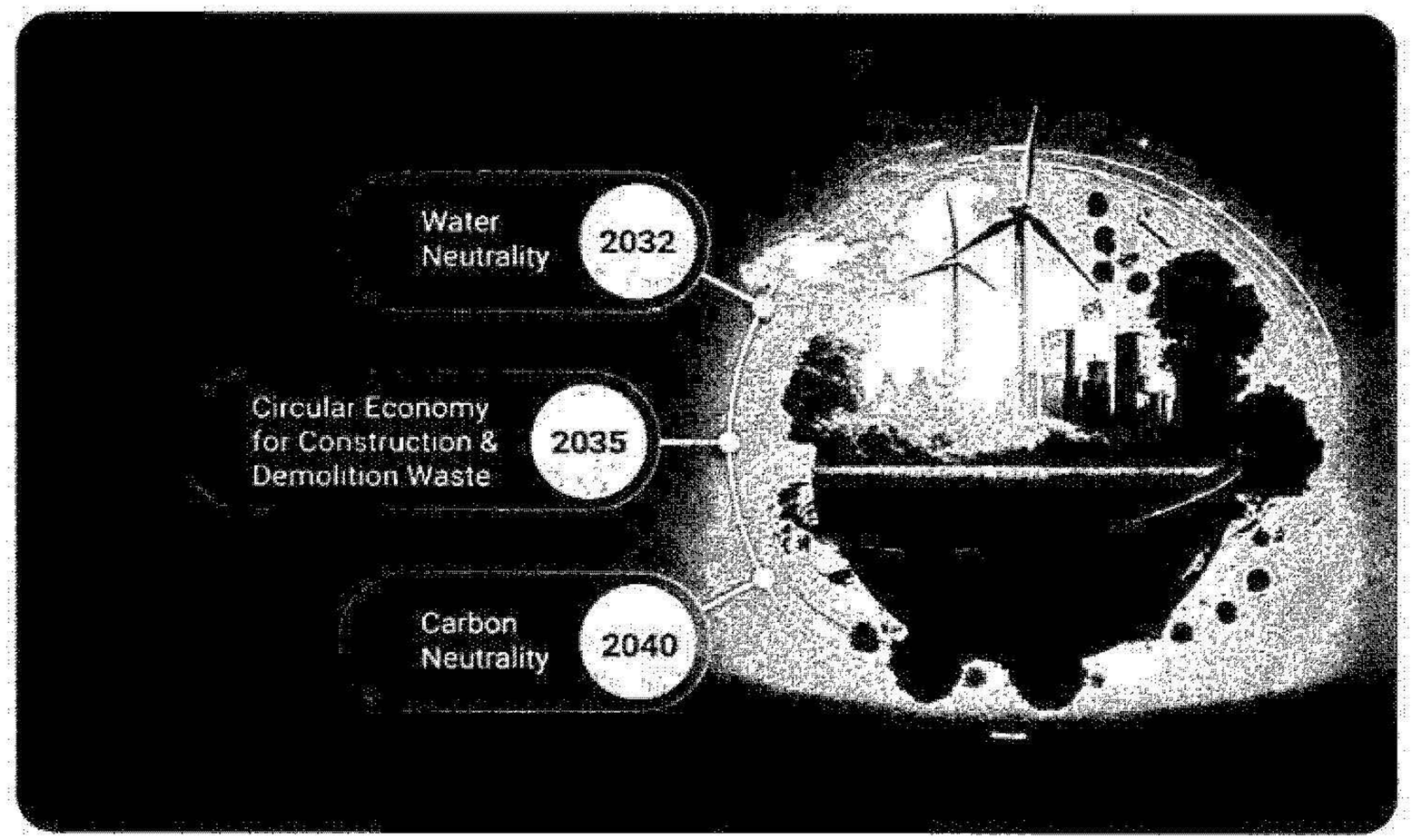
1. Human Capital Development
2. Occupational Health and Safety
3. Corporate Governance
4. Business Ethics
5. Climate Change and Energy
6. Resource Efficiency and Circularity
7. Human Rights and Labour Relations
8. R&D, innovation and digitalisation
9. Supply Chain Management
10. Biodiversity and land use
11. Business continuity and risk management
12. Customer Centricity
13. Sustainable product and service quality
14. Data privacy and security
15. Community engagement
16. Pollution





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## ESG Approach




At KPIL, our ESG approach prioritises environmental friendly technologies, socially responsible practices, and ethical standpoint. This approach fosters credibility among customers, investors and employees, yielding long-term returns and benefiting both businesses and communities. We are committed to responsible practices that prioritise societal and environmental well-being while increasing shareholder value.

**KPIL Sustainability Mission**

We will continuously endeavour to make our products and services sustainable by driving carbon and water neutrality in our business and achieving zero waste in all our operations to preserve our planet, people and prosperity.

### ESG Risk Management

For ESG risk management, we employ an advanced framework for identifying, assessing, and mitigating risks systematically. This involves proactive monitoring, reporting, and mitigat ng key risks to achieve strategic objectives. Our robust risk management system includes standardised procedures, a clear organisational structure, comprehensive codes of conduct, and aligned policies and values. We also have a specialised framework dedicated to evaluating and mitigating corruption and bribery risks, ensuring compliance with applicable regulations. These practices enhance resilience, protect stakeholders, and uphold ethical standards.

Our risk management framework offers management with a comprehensive list of risks, enabling them to assess individual risks and their potential effects on the company. It acts as a roadmap for devising strategies to handle these risks, thereby minimising overall exposure. Additionally, the framework enables continual monitoring to ensure effective risk management, with interventions for enhancement as required. We also uphold transparency by regularly reporting these risk management activities to the Risk Management Committee, fostering accountability, and enabling informed decis-on-making.





### ESG Strategy

By incorporating ESG factors into decision-making processes, our aim is to mitigate risks, identify new opportun ties, and enhance value creation over the long term. This approach allows us to proactively tackle issues such as climate change, resource scarcity, human rights, diversity, and ethical governance.

Embracing an ESG strategy not only ensures alignment with regulatory standards but also cultivates trust with stakeholders, attracts investment, drives innovation, and contributes to a more sustainable and greener future.

We have formulated an ESG strategy that specifies the key focus areas and targets towards its growth in the sustainability journey. The Company's ESG strategy is built on the 3 vital pillars of

1. **Creating a Positive Impact**
2. **Performing Responsibly**
3. **Engaging with Stakeholders**

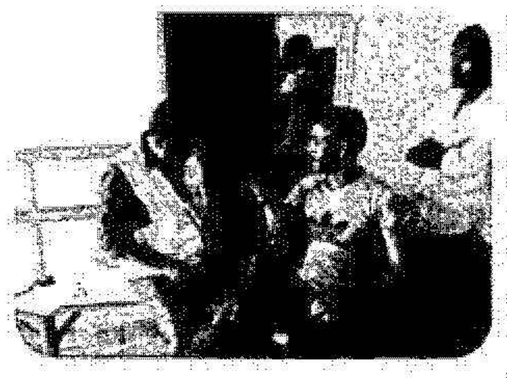
### ESG Policies

Our firm is deeply committed to enhancing its governance mechanisms and protocols, striving to maintain the utmost levels of corporate conduct. Through the implementation of ESG policies, we reinforce the bedrock of our organisation, demonstrating unwavering dedication to foundational principles and strategies. This encompasses conducting business with integrity and placing sustainability at the forefront of our core values.



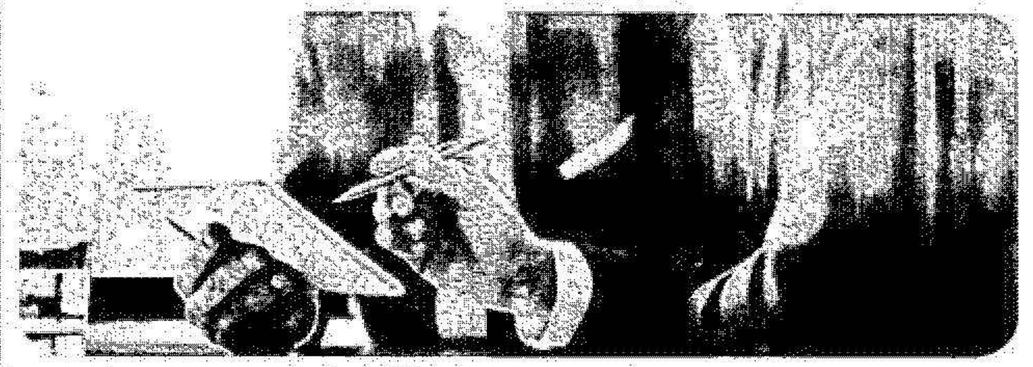
**Environment**

- Environment, Health, Safety and Sustainability Policy (EHSS)



**Social**

- Anti-Sexual Harassment Policy
- CSR Policy
- Grievance Redressal Policy
- Human Rights - Policies and Practices
- Medical Coverage Policy
- Supplier Code of Conduct
- Procurement Policy
- Equal Opportunity Policy



**Governance**

- Anti-Bribery Anti-Corruption Policy
- Code of Conduct for Directors and Senior Management
- Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Kalpataru Code of Conduct
- Whistle-blower Policy
- Policy for Material Subsidiaries
- Policy For Preservation of Document and Archival Policy
- Policy on Directors Appointment
- Policy on Remuneration for the Directors, KMP and other Employees
- Related Party Transactions Policy
- Cybersecurity Policy
- Third party due diligence Policy
- Directors' Familiarisation Programme
- Dividend Distribution Policy

KPIL's Code of Conduct and related policies are available on the KPIL website https://kalpataruprojects.com/investors/corporate-governance/policies-guidelines

During the reporting year, there were no instances of significant fines being imposed on us or instances of non-compliance with the rules pertaining to the effects of products and services on health and safety, marketing communications related to products, and product information disclosure and labelling.

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**Impact created by KPIL**

# Contributing to India's growth story

As one of the largest engineering, procurement and construction company in India, KPIL stands at the forefront of creating substantial value for all stakeholders. Our extensive range of business services and offerings not only enrich the lives of millions but also play a pivotal role in contributing to sustainable cities and communities.

Through our investments in a diverse workforce comprising thousands of employees, contractors, and suppliers, we are dedicated to nurturing growth while prioritising community engagement. Collaborating with governmental bodies and fellow enterprises, we are shaping a resilient and thriving economy for the benefit of all.

## KPIL's expansion plan




The merger has significantly enhanced our capabilities across our manufacturing plants situated in Raipur and Gandhinagar. There has been a marked improvement in our in-house capability development. Previously reliant on external sources for formwork, KPIL has transitioned to internal manufacturing, yielding substantial cost savings. Moreover, we are poised to scale up our formwork manufacturing operations, with plans to venture into selling to external parties. This strategic shift not only ensures cost efficiency but also showcases our commitment to quality, thereby enhancing our reputation in the market. Additionally, internal manufacturing allows us the flexibility to produce formwork as per demand, resulting in notable time savings for the company.

Furthermore, our manufacturing plants are now powered using solar energy aligning with our sustainability goals. We have implemented industry-leading practices such as Lean, 5S, and Total Quality Management (TQM) across our operations to drive operational efficiencies. To further enhance productivity, automation initiatives have been rolled out, including the introduction of electric forklifts and improved accessibility of store racks for our workforce. This commitment to operational excellence has also been recognised with several industry awards for TQM, 5S and excellence.

**Highest ever order book achieved**
in FY 2023-24

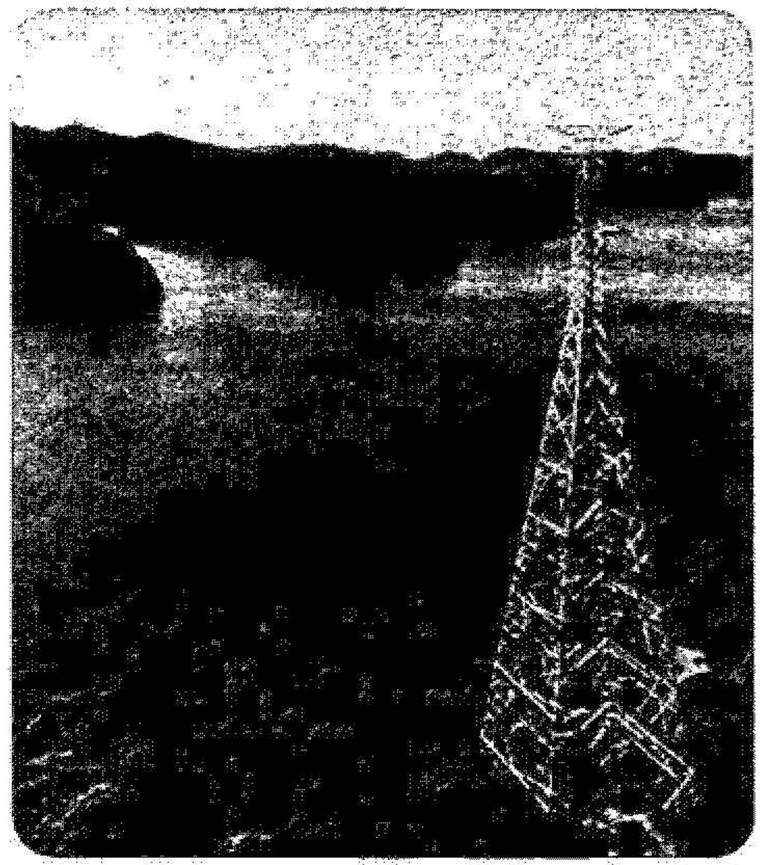
**11 Countries**
Americas

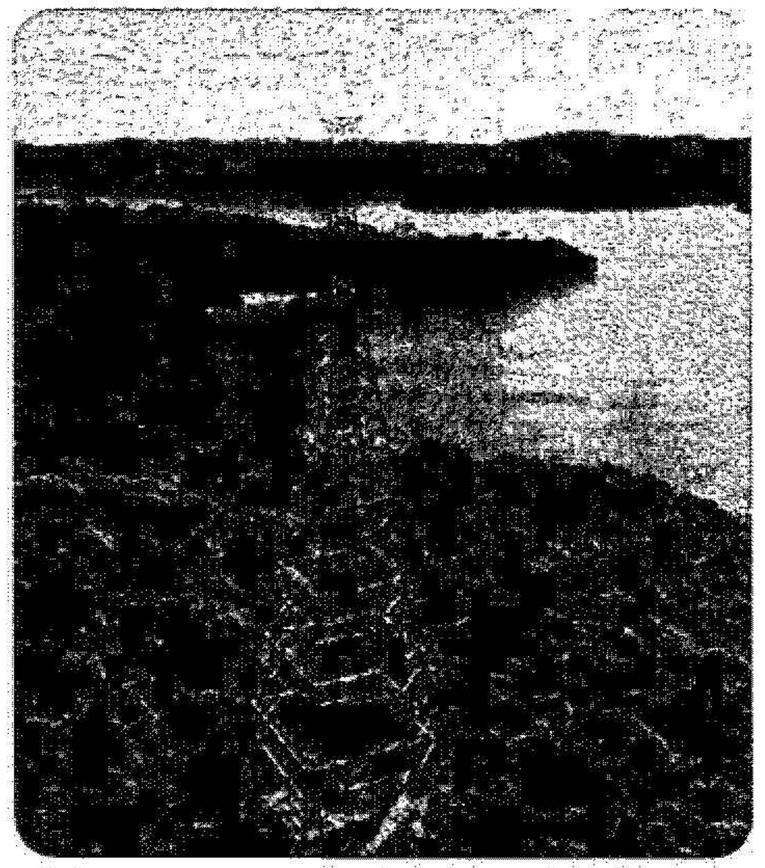
**9 Countries**
Middle East

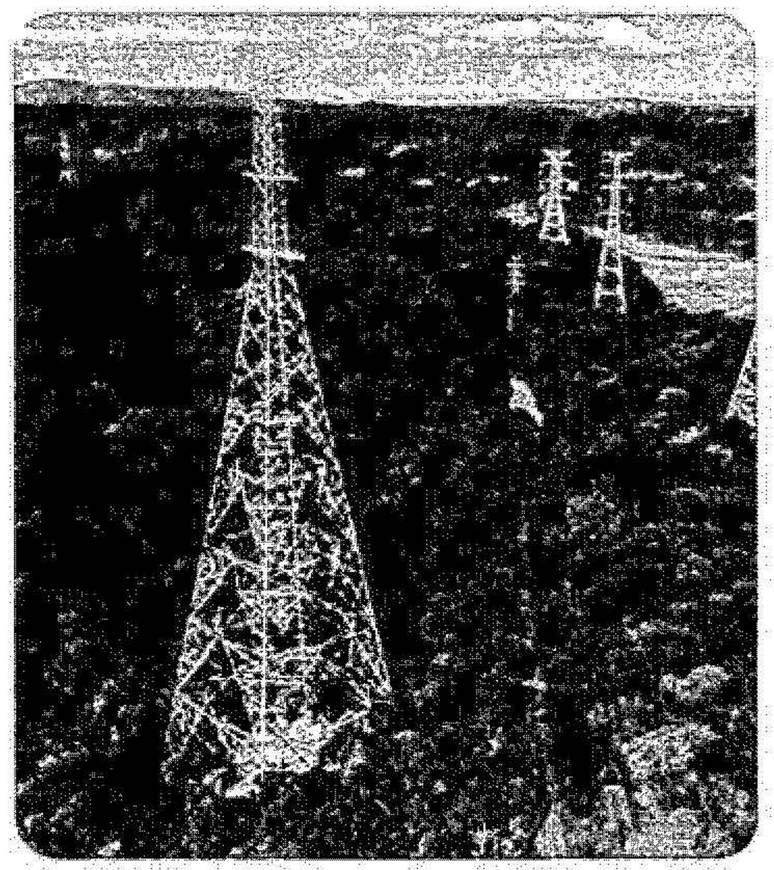
**6 Countries**
Europe

**29 Countries**
Africa

**18 Countries**
Asia Pacific









Scan above QR code to see Ibiúna –Tijuco Preto Project

## KPIL's areas of impact

**Economic growth:** KPIL's contribut on to the country's economic growth

**Local economic upliftment:** Job creation

**Promoting social equity:** Equitable growth and community engagement

Developing while embracing sustainable business practice

### 1 Economic Growth

KPIL's contribution to India's economic growth is significant. We undertake large-scale infrastructure projects that have a significant effect on the economy. Our construction of transmission and distribution lines, water pipelines and treatment projects Oil and Gas Pipelines – Projects, Metro and other railway projects, construction of factories, industrial-commercial and residential bu ldings, construction of flyovers, roads, bridges, airports, and other crucial infrastructure not only create immediate job opportunities but also boost ancillary industries such as cement, steel, and transportation. Moreover, by improving connectivity and access to markets, our projects facilitate trade and commerce, driving overall economic activity and growth.

**₹ 516 cr**
Profit after Tax

**₹ 58,415 cr**
Order Book as on 31st March, 2024



### 2 Local Economic Upliftment

Our projects have a profound effect on local economies. By prioritising local hiring and procurement, we ensure that that our operating communities directly benefit from our projects. Beyond job creation, our presence stimulates small businesses and service providers, spurring entrepreneurship and economic diversification in the region. Furthermore, the infrastructural improvements we bring attract more investments, thereby catalyzing sustained economic development.

**10.48%**
Material sourced through MSME



Capitals linked

SDGs linked





### 3 Promoting social equity

We are committed to promoting social equity through our projects and initiatives. We go beyond mere infrastructure construction by actively engaging with local communities and stakeholders. This engagement ensures that the benefits of our projects are equitably distributed, addressing social disparities and promoting inclusive growth. Additionally, we invest in social welfare programmes and initiatives aimed at improving education, healthcare, and livelihood opportunities for marginalised groups, thus contributing to broader social development and cohesion.

**₹ 9.52 cr**
Total CSR Expenditure

**25,000+**
Community members trained/upskilled




Capitals linked

SDGs linked

### 4 Developing while embracing sustainable business practices

Sustainability is a core principle that guides all our endeavours. We prioritise the use of eco-friendly materials, energy-efficient technologies and sustainable construction practices in our projects. By minimising resource consumption, reducing waste generation and bringing waste materials to circular economy to assure fullest economic use and lowest environmental impact, and mitigating environmental impact, we ensure that our projects are not only economically viable but also environmentally responsible, to the satisfaction of clients. Moreover, our commitment to innovation drives continuous improvement, enabling us to stay at the forefront of sustainable development practices while delivering superior outcomes for our stakeholders.

We are dedicated to implement sustainable business solutions that align with our overarching sustainability objectives. Our focus lies on projects revolving around clean mobility and water management, reflecting our steadfast commitment to environmental stewardship. We have undertaken a myriad of projects spanning the water sector, railways and urban infrastructure, each contributing to the development of sustainable cities and communities. Moreover, we are diversifying our portfolio by venturing into promising new territories such as pumped storage projects, further solidifying our position as leaders in sustainable business innovation.

Capitals linked

SDGs linked

**29.2%**
of renewable electricity

**6.6%**
GHG Intensity Reduction in $tCO_2e$/cr INR
Compared to FY21-22

**CSR Investments**

During the year, KPIL has invested ₹ 9.52 cr into CSR activities which span across Healthcare, Education, Skilling, Environment and Community Development, benefitting over 1.24 Lacs people.




# Financial Capital

At KPIL, we endeavour to optimise our financial resources to enhance stakeholder value through profitable growth and prudent financial management. By seizing market opportunities while adopting financially sound practices, we ensure sustainable growth and profitability. Our focus on building a robust financial foundation enables us to diversify operations, invest in strategic markets, and foster inclusive growth.

**₹ 19,626 cr**
Annual Revenue Consolidated
20% Increase y-o-y

**₹ 516 cr**
PAT (Consolidated)
19% Increase y-o-y

**Material Issues**
- Business continuity and risk management
- Business ethics
- Corporate governance

**SDGs**

**Capitals Influenced**

Kalpataru Projects International Limited

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## Management Approach

At KPIL, financial capital is instrumental in realising our vision by supporting resilient business operations and long-term profitability. Our strategic initiatives, including strengthening presence in existing business verticals, expanding international reach, securing large and strategic orders, and expanding our capabilities in sectors such as underground tunneling, urban mobility, airports, hydrocarbons, manufacturing, and data centers, demonstrate our dedication to transforming KPIL and generating value for our stakeholders.

**Standalone**

| ₹ 16,760 cr | ₹ 1,366 cr | ₹ 533 cr | ₹ 774 cr |
|---|---|---|---|
| Annual Revenue | EBITDA | PAT | PBT |
| 17% Increase y-o-y | 18% increase y-o-y | 0.2% Increase y-o-y | 13% Increase y-o-y |

**Consolidated**

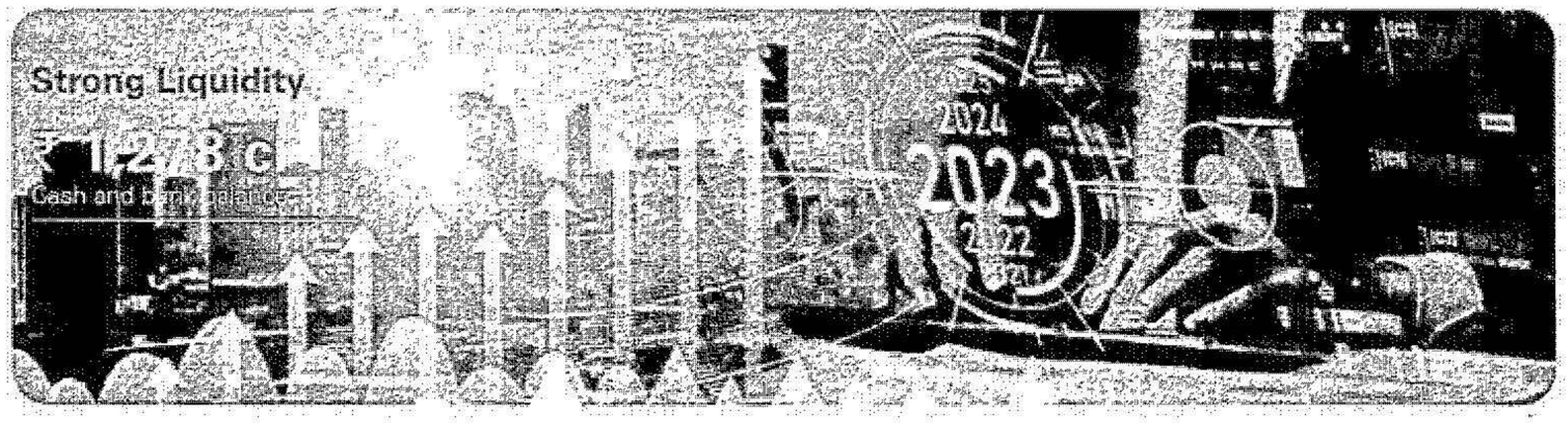
| ₹ 19,626 cr | ₹ 1,628 cr | ₹ 516 cr | ₹ 701 cr |
|---|---|---|---|
| Annual Revenue | EBITDA | PAT | PBT |
| 20% Increase y-o-y | 19% increase y-o-y | 18.7% Increase y-o-y | 27.3% Increase y-o-y |

| 16.2% | 10% |
|---|---|
| ROCE | ROE |

## Strong Balance Sheet

Our Company has consistently strived to enhance our balance sheet strength. In FY 2023-24, we succeeded in sustaining a healthy debt profile, supported by strong operational cash flows and prudent capital expenditure management.

| CRISIL (An S&P Global Company) | CARE | India Ratings & Research |
|---|---|---|
| Long term facilities | Long term facilities | Long term facilities |
| AA/Stable | AA; Negative | AA/Stable |
| Short term facilities | Short term facilities | Short term facilities |
| A1+ | A1+ | A1+ |



## Debt Profile

Our debt profile, encompassing both short-term and long-term obligations, remains in alignment with the growth trajectory of our core EPC business and the evolving composition of our revenue streams.

**0.5x**
Net debt to Equity

**1.6x**
Net debt to EBITDA

**₹ 2,591 cr**
Consolidated Net debt

**₹ 1,973 cr**
Long term

**₹ 618* cr**
Short term
*Net of cash and bank balance

## Benefits of the Merger

The merger of JMC Projects (India) Limited with Kalpataru Projects International Limited (Formerly Kalpataru Power Transmission Limited) and JMC Projects in FY 2022-23, has been a strategic amalgamation, and we have reaped the benefits of the same. The decision was a rhetorically and practically sound step towards new growth opportunities

- The merger has enabled us to bid and acquire large size EPC projects in India as well as in overseas
- Our successful integration of civil, engineering and design capabilities allows us to deliver highly effective and comprehensive project outputs
- The merger enabled us to expand our operations internationally. As we ventured into non-transmission businesses, it provided a myriad of benefits, including diversifying revenue streams and reducing dependence on any single market or sector.
- By integrating best practices we have successfully reduced costs and improved efficiencies, thereby positively impacting our revenue streams and margins. This integration has also facilitated increased market access, expanded service offerings, and enhanced team efficiency.

This strategic move has not only widened our customer base but has also enhanced our brand recognition and reputation worldwide

Additionally, tapping into international markets has allowed us to leverage economies of scale, optimise production costs and access new technologies and talent pools. We have also positioned ourselves as a key player in the global marketspace, paving the way for potential collaborations and further expansion opportunities. Moreover, the merger has been a significant step towards building a larger, more scalable organisation with a diverse business mix. By scaling up our operations, we have not only increased our capacity to serve a larger customer base but have also optimised on economies of scale.

Efficient use and allocation of resources, streamlined operational processes, and cost optimisation efforts have led to a marked improvement in our operational efficiency and organisational structure at a foundational level. Moreover, our diversified business portfolio has equipped us to mitigate risks associated with market fluctuations, regulatory changes, and overreliance on any market segment.





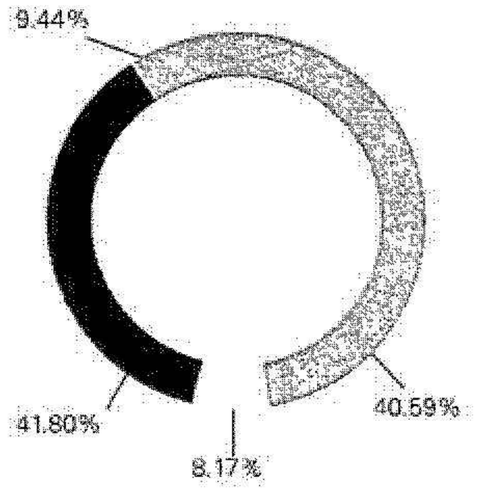



## Creating Value for Our Stakeholders

Through our sound financial management practices, we have not only been able to create value for our stakeholders but also ensured stability and growth of our business.

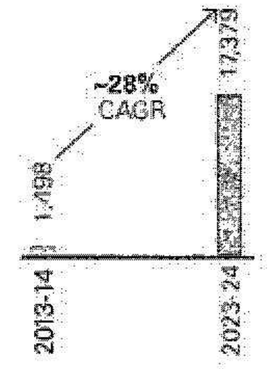
The Company has forged enduring client relationships, delivering top-tier services and innovative solutions. In FY 2023-24, KPIL achieved a consolidated net profit of ₹516 crores and a standalone net profit of ₹533 crores. With a steadfast commitment to shareholder returns, the Company maintains a history of robust dividend payouts, proposing a dividend of ₹8 per share for FY 2023-24. Notably, the Company's market capitalisation surged from ₹1,498 crores in FY 2013-14 to ₹17,379 crores in FY 2023-24, representing a notable CAGR of ~28%.

### Shareholding as on 31st March, 2024




### Market Cap

(in ₹ cr)
(As of 31st March 2024)

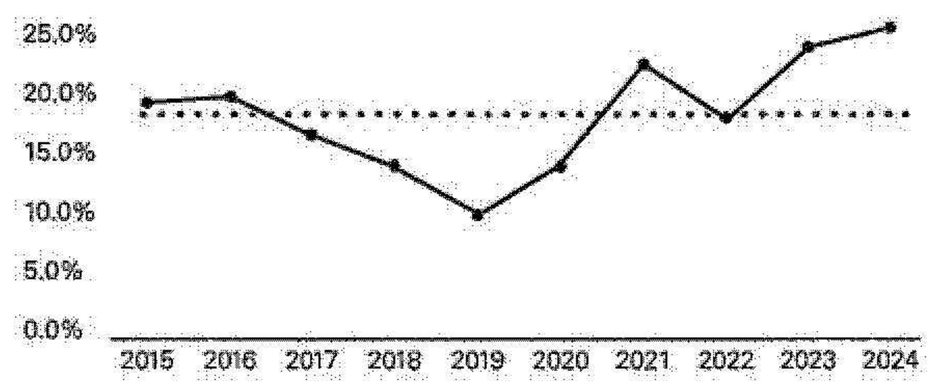



### Shareholding Pattern as on 31st March, 2024

| Sr. No. | Category | No. of Shares held | % of Shares held |
|---|---|---|---|
| A | **Promoter & Promoter Group Holding:** | | |
| 1 | Promoter | 16,982,549 | 10.45 |
| 2 | Promoter Group | 48,956,891 | 30.14 |
| B | **Non Promoters' Holding:** | | |
| 1 | **Institutions** | | |
| | Mutual Funds | 66,212,126 | 40.76 |
| | Alternate Investment Funds | 1,685,410 | 1.04 |
| | Foreign Portfolio Investors | 13,275,047 | 8.17 |
| | NBFCs registered with RBI | 1,276 | 0.00 |
| | Insurance Companies | 2,997,265 | 1.84 |
| 2 | **Non-Institutions** | | |
| | Directors and their relatives (excluding independent directors and nominee directors) | 2,297 | 0.00 |
| | Investor Education and Protection Fund (IEPF) | 1,88,446 | 0.12 |
| | Individuals | 93,67,506 | 5.77 |
| | Bodies Corporate | 9,06,822 | 0.56 |
| | NRIs | 14,50,479 | 0.89 |
| | Others | 4,30,038 | 0.26 |
| | **Total** | **162,446,152** | **100%** |

*Out of above, Promoter & Promoter group have pledged 2,07,80,234 Equity Shares constituting 31.51% of their holding in the Company and 12.79% of total equity of the Company.

### Dividend Payout Ratio




*For the fiscal year 2023-24, a dividend of ₹8 is proposed, subject to approval by shareholders at the AGM

### Economic value generated, distributed and retained (KPIL Standalone)

| Particulars | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|---|---|---|---|---|
| **A) Direct Economic Value Generated (₹ cr)** | | | | |
| Revenues from Operations | 11,359 | 12,407 | 14,337 | 16,760 |
| Revenues from Other Sources | 106 | 98 | 112 | 113 |
| **Total A** | 11,465 | 12,506 | 14,449 | 16,873 |
| **B) Economic Value Distributed (₹ cr)** | | | | |
| Operating Expenses | 9,350 | 10,638 | 12,141 | 14,200 |
| Employee wages and benefits | 871 | 917 | 1,034 | 1,194 |
| Dividends Paid | 114 | 102 | 26 | 127 |
| **Total B** | 10,335 | 11,656 | 13,201 | 15,521 |
| Economic Value Retained (A-B) (₹ cr) | 1,130 | 850 | 1,248 | 1,352 |

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## Investment in R&D

We prioritise investment in Research and Development to continuously enhance our capabilities. We actively foster the adoption of cutting-edge technologies and processes within our teams to ensure they remain at the forefront of innovation.

For further details on our R&D initiatives, please refer to pages 83-87

**₹19.68 cr**
R&D investments FY 2023-24

**14%** Increase y-o-y

## Cash Flow Cycles

We have achieved a significant improvement in our cash flow cycle, as evidenced by the reduction in both debtor days and Net Working Capital (NWC) days. This improvement showcases our efficiency in managing our receivables and working capital, resulting in efficient business operations. However, despite these positive developments, there has been a decrease in Net Cash Flow from Operating/EBITDA. We are undertaking the necessary measures to ensure sustainable cash flow management in the future.

**116 Days**
Debtor turnover days

**99 days**
Standalone NWC days

## Approach to Sales

We strive to gain a comprehensive understanding of our customer base to effectively tailor our products and services to their needs and preferences. We aim to foster trust and loyalty by forging lasting, healthy relationship with clients thereby enhancing customer retention and generating repeat business opportunities. Moreover, we regularly review the performance of our sales strategy across all business divisions to identify areas for improvement and implement necessary adjustments to maximise our sales effectiveness.

Post the merger, we have expanded our business manifold. We are expanding across existing geographies with large and complex EPC projects, entering newer geographies with oil and gas projects in Saudi Arabia and also exploring newer businesses such as construction of airports and data centers. This expansion has also led to increase in sales across the business.

| Consolidated figures (₹ cr) | FY 2022-23 | FY 2023-24 |
|---|---|---|
| Sales revenue | 16,361 | 19,626 |
| Order book | 45,918 | 58,415 |
| Order book/ revenue | 2.8x | 3.0x |

## Tax Transparency

With a robust commitment to ethical business conduct, we strive to maintain clear and comprehensive tax declarations and submissions that not only comply with regulatory requirements but also uphold the trust of our stakeholders.

We are determined to consistently follow transparent financial reporting, which we believe fosters trust and confidence among investors, lenders, and other stakeholders. Through our responsible intent of financial capital, we aim to achieve sustainable growth, deliver value to our stakeholders, and uphold our commitment to environmental and social responsibility.

**26.4%**
Taxes paid on PBT

## Strategic Priorities

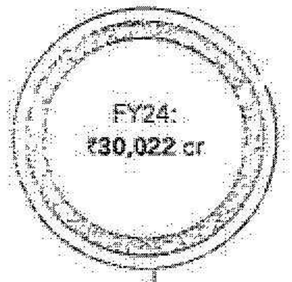
As we advance into the next financial year, our strategic priorities are comprehensive and firm. We are committed to creating a sustainable financial space while driving long-term value creation for our stakeholders.

**Implementing strategic priorities:**

- We intend to grow our EPC business by investing in high growth verticals which align with our global infrastructure development and sustainability trends. In alignment to this, during the year, we expanded into underground tunnelling, airport EPC projects and international Oil and Gas EPC.
- KPIL aims to continue piloting revenue growth in strategic markets by venturing into global markets, embracing growth opportunities and establishing a strong domestic impression.
- KPIL mitigates challenges associated with non-core assets, particularly focusing on the divestment of Build-Own-Operate-Transfer (BOOT) assets and Shree Shubham Logistics Ltd (SSL). We recognise the importance of aligning our portfolio with our core business strategy and implementing assessment processes to evaluate the performance and risk associated with each asset. In the ever-evolving marketplace, we remain committed to maximising value for our shareholders and ensuring sustainability of our real estate operations.
- We prioritise expediting efforts across ESG parameters of our business operations by integrating ESG principles into our business strategy. We aim to mitigate risks, utilise opportunities and sustain in the dynamic landscape. Our intent is to align our financial decisions with our sustainability goals.
- Achieving accelerated profitable sales growth through a diversified business mix and robust risk management practices are crucial for financial resilience and value creation. We are leveraging our diversified portfolio of business operations to mitigate the risk of market fluctuations and utilise opportunities across various sectors and geographies. Strategic decision-making positions us to achieve sustained profitable growth, while integrating sustainable business operations.
- Recognising the critical importance of stakeholder trust, we prioritise building and maintaining healthy, robust relationships.
- A strong balance sheet is crucial for our long-term sustainability and resilience in the dynamic business environment. We aim to achieve this by following a disciplined and transparent approach, involving assessment of investment opportunities, cost-effective capital management and prudent debt practices.

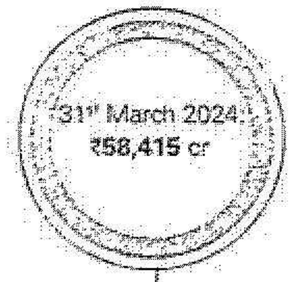


### Order Inflow

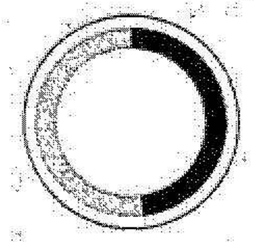



- **37%** T&D ₹ 11,154 cr
- **22%** B&F ₹ 6,528 cr
- **5%** Water ₹ 1,589 cr
- **27%** Oil and Gas ₹ 7,953 cr
- **3%** Railways ₹ 1,033 cr
- **6%** Urban Infra ₹ 1,765 cr

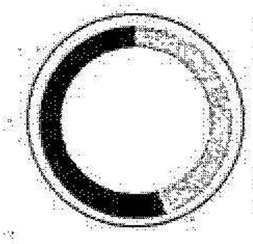
### Order Book




- **35%** T&D ₹ 20,678 cr
- **19%** B&F ₹ 11,021 cr
- **18%** Water ₹ 10,667 cr
- **16%** Oil and Gas ₹ 9,031 cr
- **7%** Railways ₹ 3,985 cr
- **5%** Urban Infra ₹ 3,033 cr



- **52%** Domestic
- **48%** International

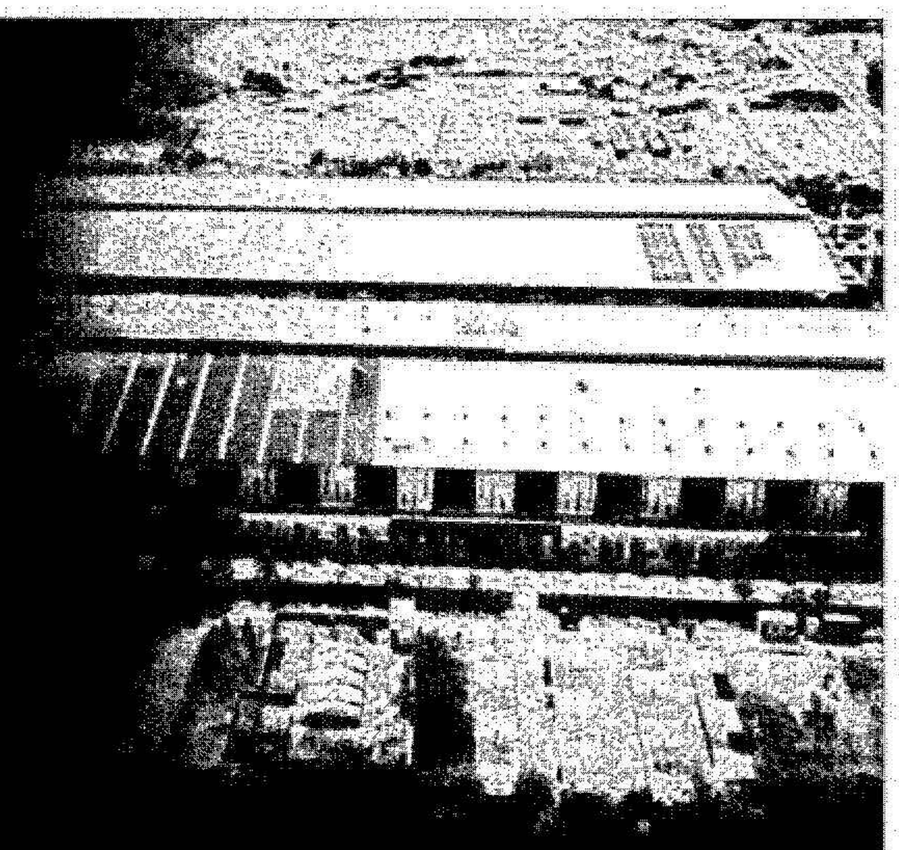


- **55%** Domestic
- **45%** International

We have achieved a significant milestone in FY 2023-24 with an unprecedented order intake totaling around ₹30,000+ crores. This includes significant victories across various divisions such as Transmission and Distribution, Buildings and Factories, Oil and Gas, and Urban Infrastructure. This success is credited to multiple factors such as the expansion of our geographical presence in burgeoning EPC markets, a proficient and seasoned team equipped with strong technical and execution skills, enduring client relationships, and effective strategies for assessing and mitigating risks.

## Way Forward

Our vision for the next financial year is centered around sustainable growth and optimising value for our stakeholders. We are determined to pursue deliberated initiatives which are aimed at expanding our revenue streams, primarily focusing on increasing profitability. The intent for the financial year is to increase our PBT (Profit before tax) margin through operational excellence, cost optimisation and strategic investments. Furthermore, we also aim to optimise our working capital management by reducing Net Working Capital (NWC) days. This involves promptly filing invoices and ensuring the timely collection of payments for outstanding invoices. Additionally, we also strive to optimise our accounts payable processes. These initiatives aim to enhance cash flow efficiency and contribute to strengthening our financial position.



With a rich legacy spanning over forty years, we stand as a prominent player in India's listed diversified engineering and construction sector. Our primary commitment lies in the creation of assets that not only advance our business objectives but also foster the socio-economic progress of the communities we serve. Our extensive global presence, coupled with our diversified EPC businesses and a growing portfolio of international projects, solidifies our position as a leading industry player.

On-going projects

More than USD 7 billion Order Book

Global footprint till date

Sustainable product and service quality

Business continuity and risk management





## Management Approach

With a presence spanning across 73 countries, our renowned EPC endeavours have earned global acclaim for their exceptional delivery and provision of top-notch assets to clients. KPIL stands as a leading, diversified engineering and construction player on a global scale. Our extensive reach across sectors and services worldwide showcases the strength and adaptability of our multifaceted business model. The strategic amalgamation of JMC Projects (India) Ltd with the company has significantly strengthened KPIL's position in six high-growth sectors, establishing it as one of the leading players in the EPC industry, with an all-time high order book of ₹58,415 crores. We consistently refine our business processes and value chain to ensure agility, responsiveness, and scalability.

We are certified for Integrated Management System as per ISO 9001:2015, ISO 45001:2018, ISO 14001:2015 Standard across different sites, plants and offices, which benefit from seamless operations and the integration of cutting-edge technologies to enhance quality and fortify our supply chain management.

Our organisation is also certified for Anti Bribery management as per ISO 37001:2016 standard (Pre-amalgamation business).

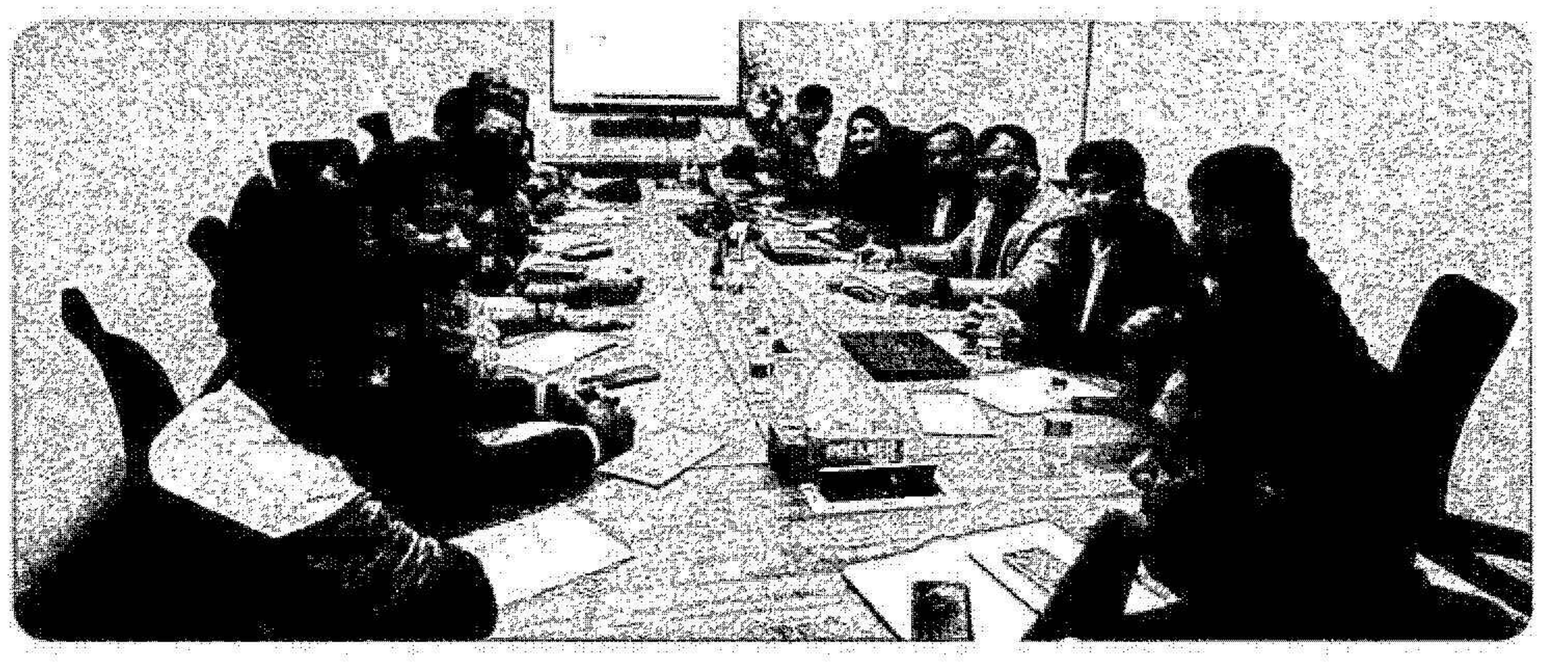
Exceeding
**₹ 30,000 cr**
(~3.6 billion USD) Annual Order Inflows

**2,40,000 Tons**
Production capacity of Tower manufacturing plants

**114 GWh**
Renewable power generation

Our Manufacturing plants and project sites are certified with
**ISO 9001:2015, ISO 45001:2018, ISO 14001:2015**
standards



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## Enhancing Manufacturing Capabilities

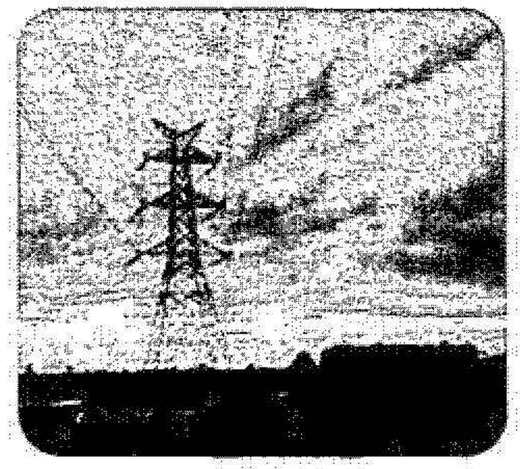
**KPIL Business Divisions**

### Power, Transmission and Distribution

Our comprehensive array of services encompasses the design, engineering, manufacturing, testing, installation, and commissioning for both transmission lines and substations.

**1,794**
Circuit kms Stringing done in FY 2023-24 (International and Domestic)

**2,765**
Towers erected in FY 2023-24 (International and Domestic)



### Buildings and Factories

We provide EPC services for the design and building of residential, commercial, and institutional structures, including hospitals, as well as for factories and industrial ventures.

**75+**
Ongoing projects in India

**332 lakhs sq. ft.**
Built up area completed

**21**
Residential and Commercial properties completed in FY 2023-24



### Water

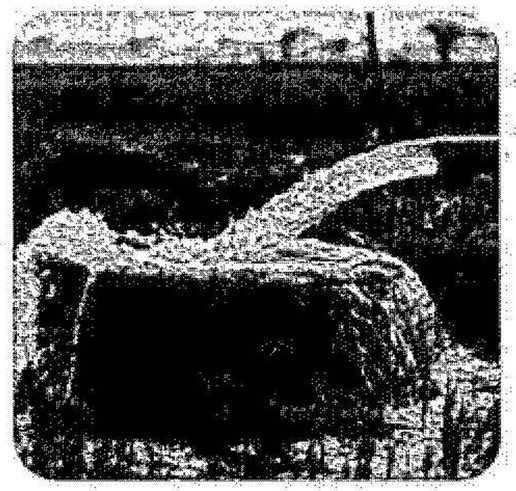
Our EPC offerings encompass the full range of water infrastructure development, from conceptualisation to execution and supervision. Our expertise lies in various water infrastructure projects such as the development of water networks, construction of water treatment facilities, desalination plants, irrigation systems, and water linkage projects.

**21,000 kms**
of Pipeline laid in FY 2023-24, which represents a 38% increase compared to FY 2022-23.

**40,000+**
kms Water pipe network laid (Since inception)

**3.9 lakhs**
Water Connections done in FY 2023-24

**15 mn**
People benefited worldwide







### Oil and Gas

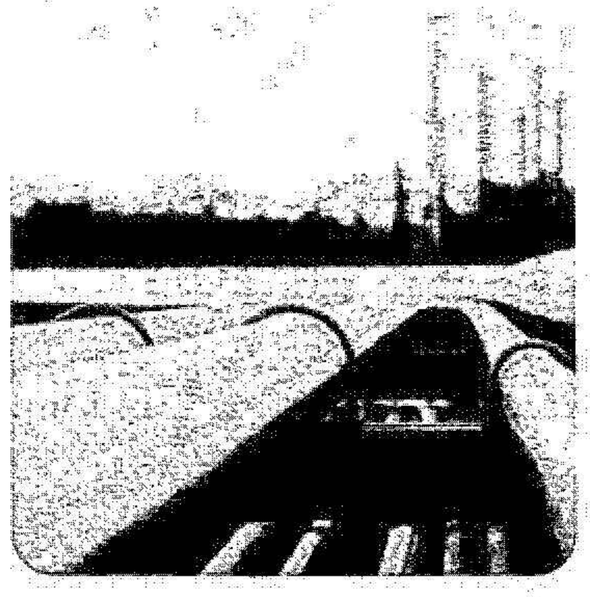
Our services encompass cross-country pipelines for oil and gas, as well as processing facilities, refineries, and fertilizer plants.

**398 km**
Of pipelines laid in FY 2023-24

**19**
Ongoing projects in India

**101 No's**
Horizontal Directional Drilling projects in FY 2023-24

**475+**
Intermediate, pumping, pigging, and block value stations (Since Inception)

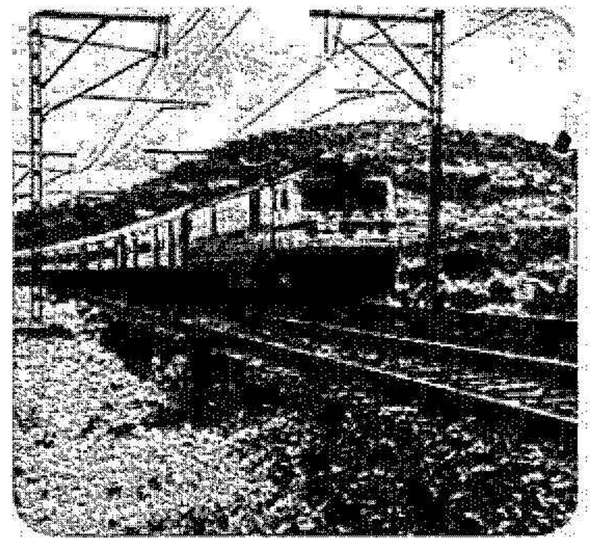


### Railways

We provide services for constructing railway infrastructure, which includes various offerings such as railway electrification, track installation, earthwork, traction substations, bridge construction, station development, workshop establishment, signaling, and telecommunication installations.

**915 RKM/ 1,298 TKM**
Electrification done in FY 2023-24

**155 km**
New Track Laid and Commissioned



### Urban Infrastructure

We provide design and construction services across diverse sectors, including elevated metro systems, elevated corridors, flyovers, unique bridge structures, tunnels for metro rail, railway, and roadways, highways, and airport projects.

Won 2 Underground Metro Projects in Bhopal and Kanpur

**9+ km**
of tunnel in FY 2023-24

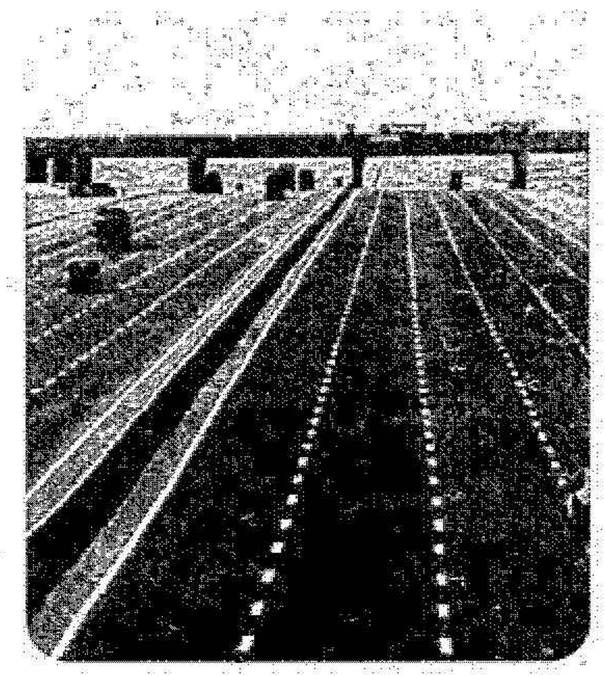
Total Length

**7.3 km (4 lane)**
Handed over Madurai Chettikulam Flyover to National Highway Authority Limited

**2.75 km**
of viaduct completed for Kanpur elevated metro

Delivered highways and flyovers of

**2,500+**
lane kms & **22+ kms** respectively

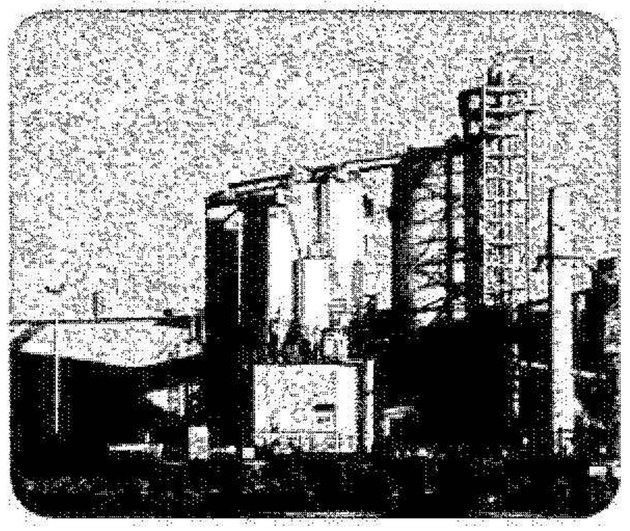


**Renewable power from Biomass**

Our biomass power plants (present in Padampur and Uniara in Rajasthan) are contributing in advancing sustainable and inclusive development throughout India.

**28.5 lakhs MT**
of biomass consumed till date

**15.8 MWp**
Generation capacity of the 2 biomass plants



## Post-Merger Synergies

Following a year since the merger of JMC, KPIL has exhibited remarkable growth across various dimensions, both in terms of expertise and business scale. By undertaking larger and more complex projects across both established and new areas of expertise, KPIL has significantly expanded its project portfolio and subsequently enhancing profitability. This expansion into bigger and more complex EPC projects has pushed the boundaries of our previous business operations, marking a transformative phase for the Company.

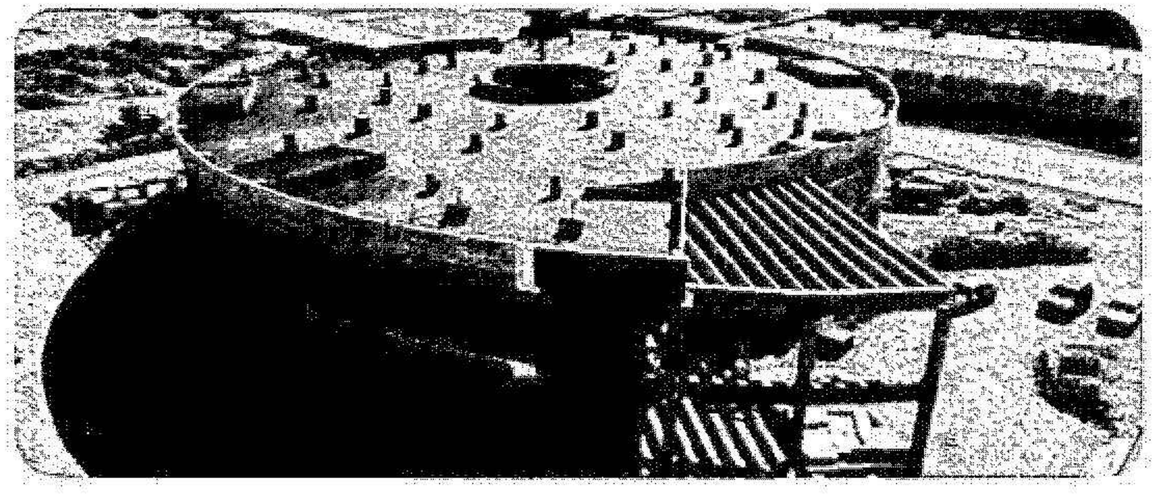
Furthermore, the merger has facilitated a tangible synergy in resource and asset utilisation and movement across our operations, further improving our operational effectiveness. Streamlining interdivisional processes and paperwork has led to a notable reduction in related party transactions, enhancing operational efficiency, and resource allocation across the board.

KPIL stands on a robust financial footing, evidenced by a substantial increase in our order book, surpassing targets set for FY 2023-24. This synergy is poised to drive cost rationalisation, with anticipated benefits materialising in FY 2024-25. Moreover, the merger has enhanced liquidity and reduced overall borrowing costs for the merged entity, ensuring sustained growth and success in the foreseeable future.

**Engineering excellence and diversified portfolio**

KPIL has dedicated Design teams and tower testing center, which is backed by 120+ engineers for Tower Design, Water Pipeline Designs, Building and Factories and other engineering projects, which are consistently making the benchmark projects in the sector

**Following are recent engineering marvels to note:**



**Mongolia Refinery**

The refinery is a case of engineering marvel, sustaining extreme weather conditions and assuring sustainable performance including better visibility, less energy requirements and aesthetic conditions

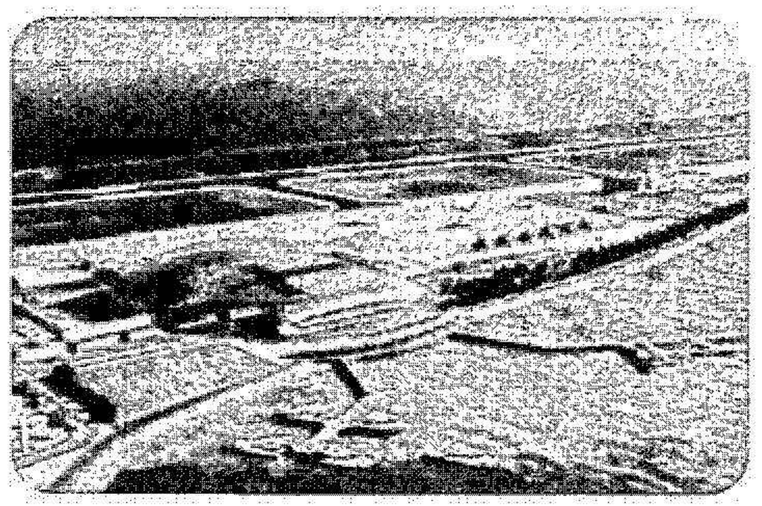
**Maldives airport**

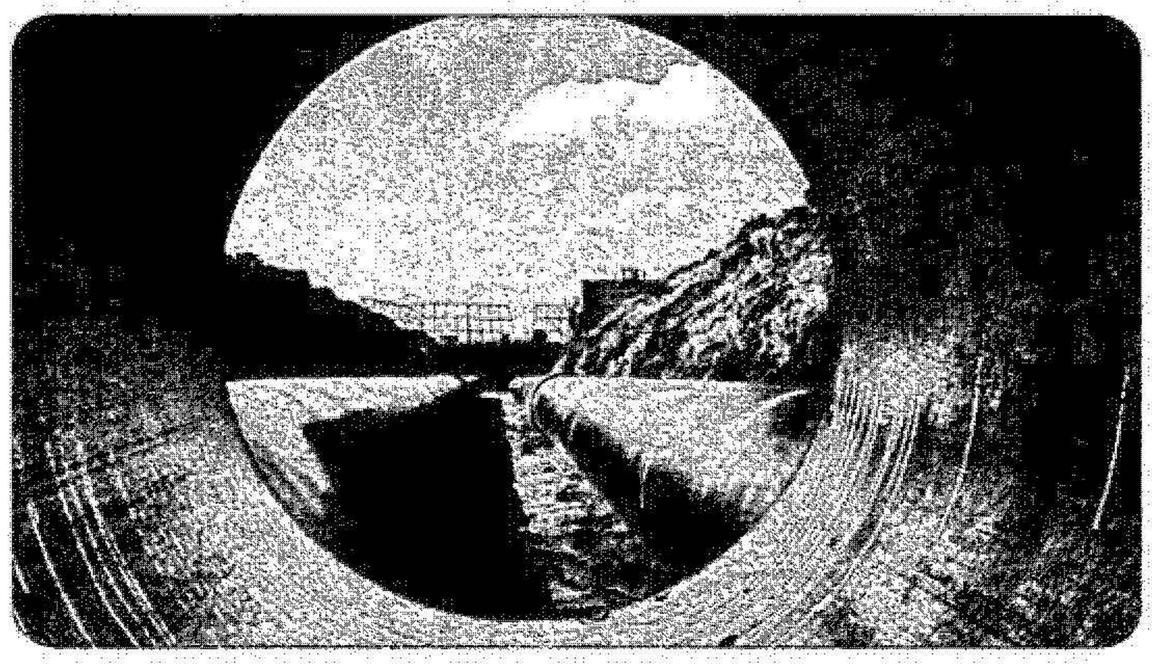
**Project - Hanimadhoo International Airport, Maldives**

KPIL has demonstrated its capability and successfully developed its Airport project.

Construction of a runway compliant with 4C code aircraft operations

- Development of aprons and taxiways
- Design and construction of the passenger terminal building
- Erection of the air traffic control tower
- Establishment of cargo and workshop buildings





**Water Pipe line**

We are the first Indian company to use Horizontal Directional Drilling for its water pipeline projects at Khargone project site.

**Metro railway**

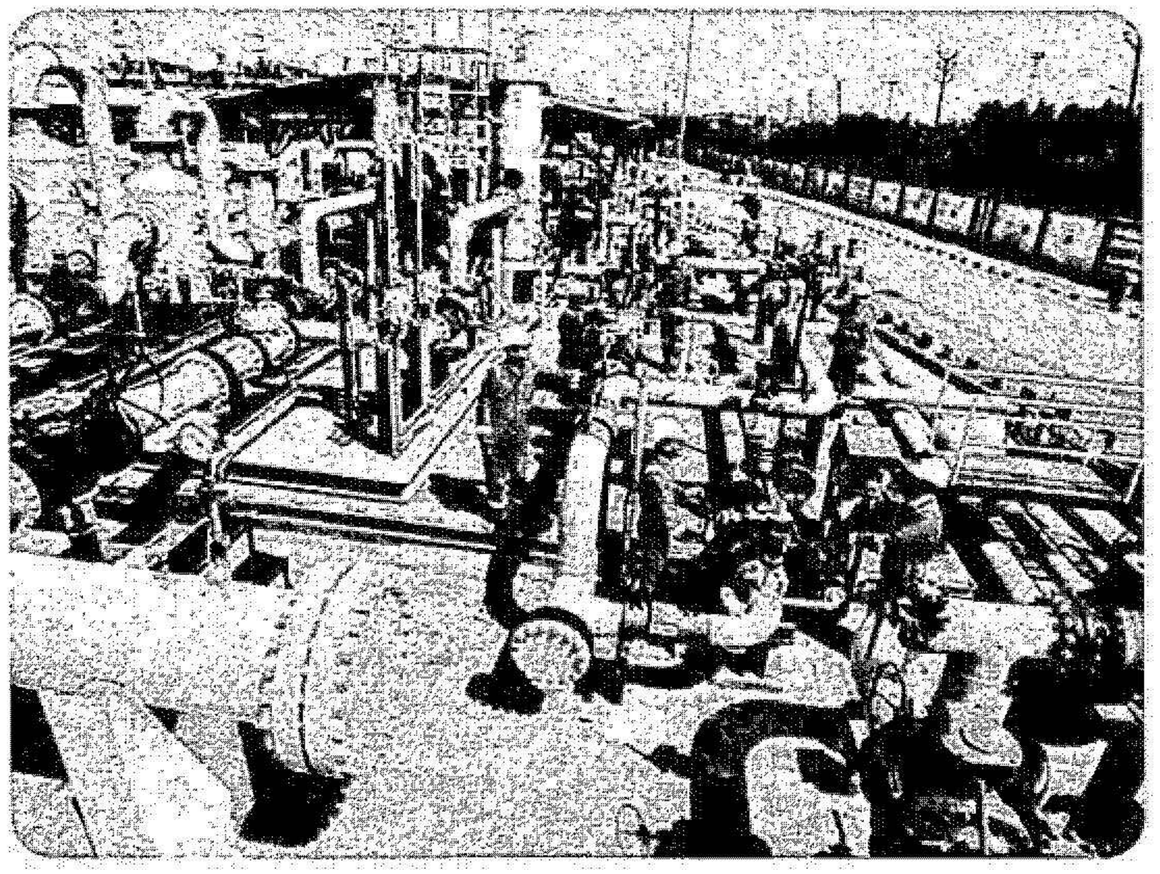
**KPIL has developed capability to construct Underground metro projects with consortium and has been awarded with projects**

- KPIL in consortium with Gulermak has been awarded a contract for the construction underground Metro on Corridor-2 of Kanpur MRTS project at Kanpur, Uttar Pradesh.
- KPIL in consortium with Gulermak has been awarded a contract for the construction Underground Metro, Bhopal (BH-04)



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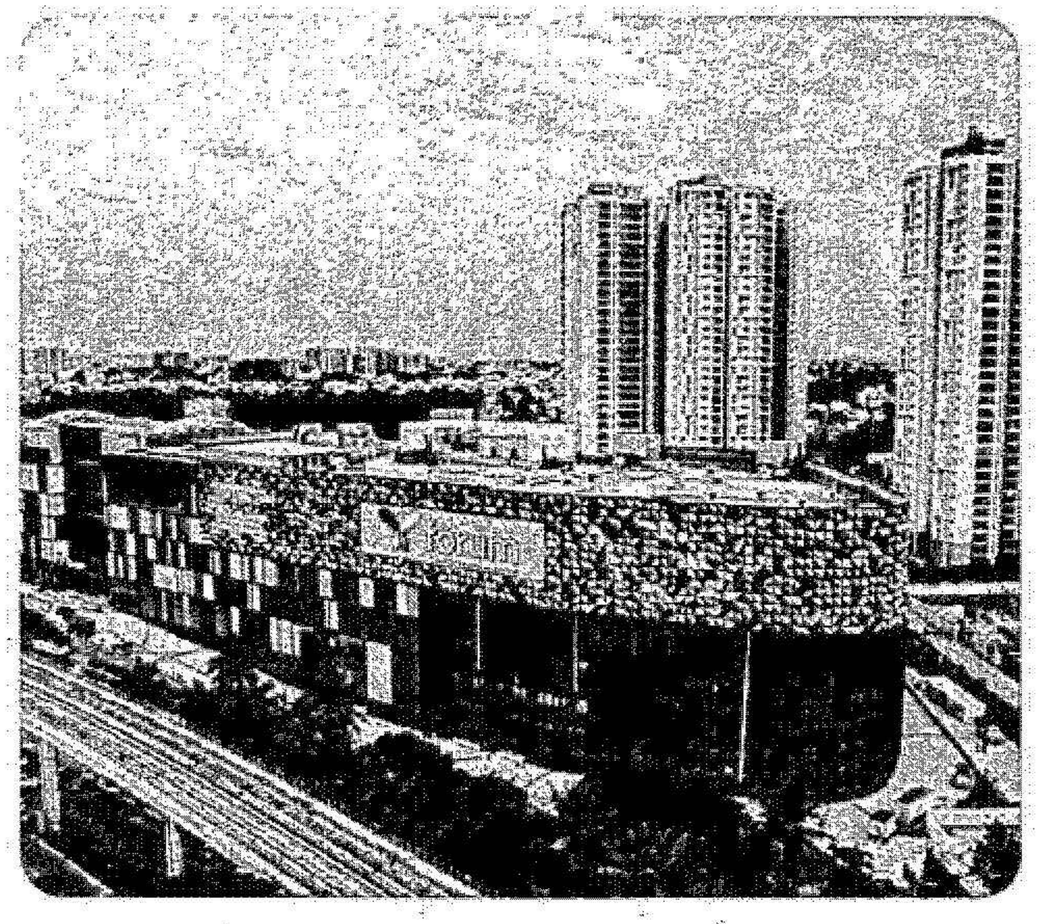


### Oil and Gas project

KPIL has signed contracts with Saudi Arabia's energy major Aramco for carrying out EPC work for three packages of the third expansion phase of the Master Gas System Network (MGS-3) in Saudi Arabia **with contract value of over US$ 900 million.** The EPC scope covers the laying of over 800 kms of lateral gas pipeline.

### Backward integration

KPIL is one of the largest players in India in the EPC space, with a significant order book and extensive presence in the building, factors, and urban mobilities sectors. In view of this, it decided to integrate backward, identifying formwork, scaffolding materials, and girders as critical and significant. KPIL has strategically taken the initiative to develop an in-house facility to fabricate these materials, which will serve the internal needs of the company.







### Scaffolding

Being oriented to improve the business operating capability into EPC sector, KPIL is always striving to add complimentary service portfolio.

Manufacturing division explored the opportunity to support the organisational service portfolio by adding product verticals which delivers excellence and assures on-time delivery.

As a result, KPIL has established a new fabrication facility at the Raipur plant. This Phase-I initiative focuses on three key product lines, conventional formwork and scaffolding, heavy girder fabrication and customised formwork.

**Raipur plant been successfully commissioned with 12,000 MT per year scaffolding production capacity for captive consumption.**

Simultaneously, Raipur plant built quality systems and went through DAST and EN 1090 certifications successfully.

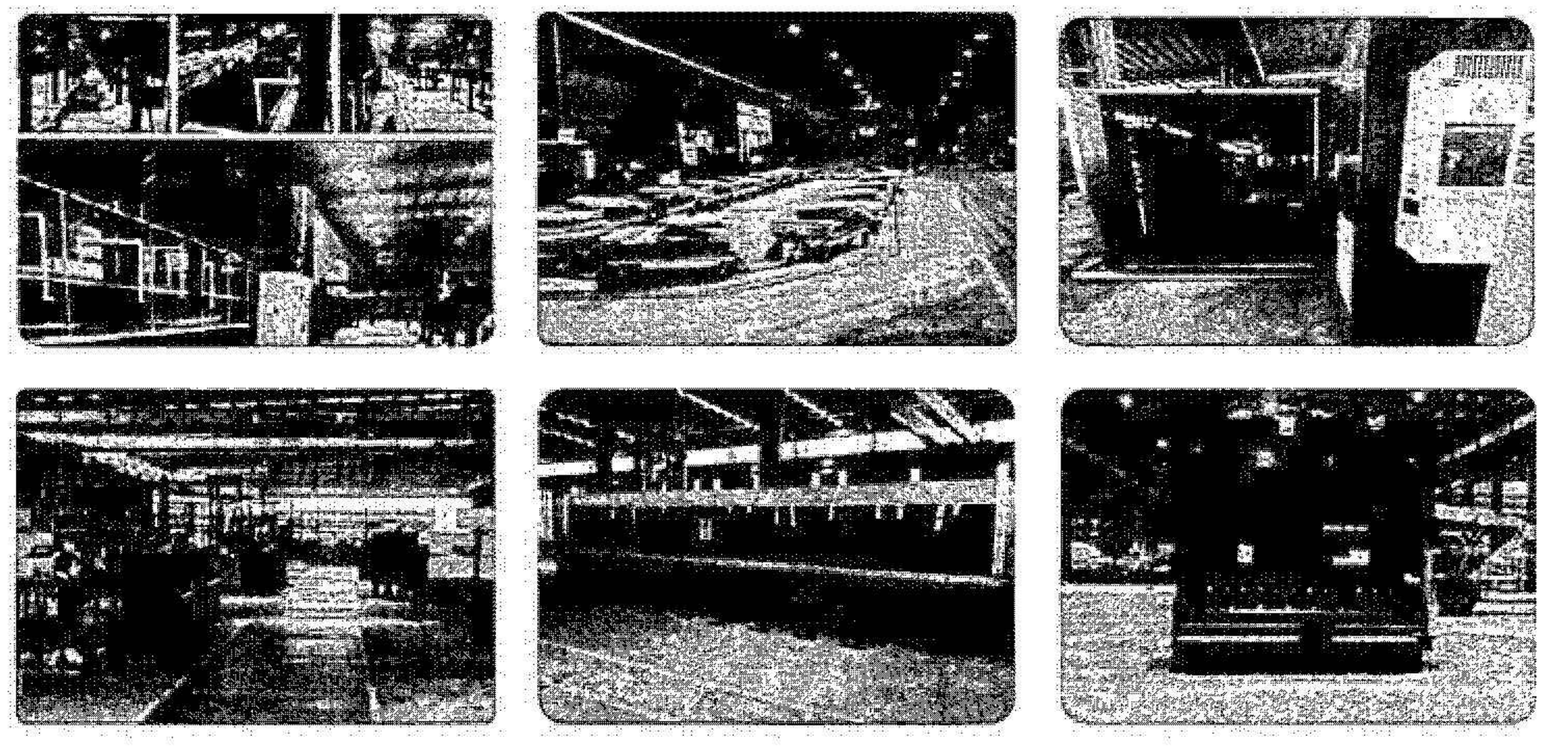
### Heavy Girders fabrication capacity

The second production line focuses on the fabrication of a diverse range of heavy girders, including open web girders and composite girders, catering to the specific requirements of railway and similar infrastructure projects. The line can now provide output of **10,000 MT per annum for captive use,** fabricating heavy beams up to 3m web, 1.5m flange and 12m long.

The Raipur plant's heavy girder fabrication facilities have recently secured approval from RDSO. It has started commercial production from April, 24 onwards.

### Form work

Customised formwork line is the third line that is established for customised Formwork for Urban Infra related projects such as pier, pier caps and U girders. The line is also capable of producing **10,000 MT per annum for captive consumption.**

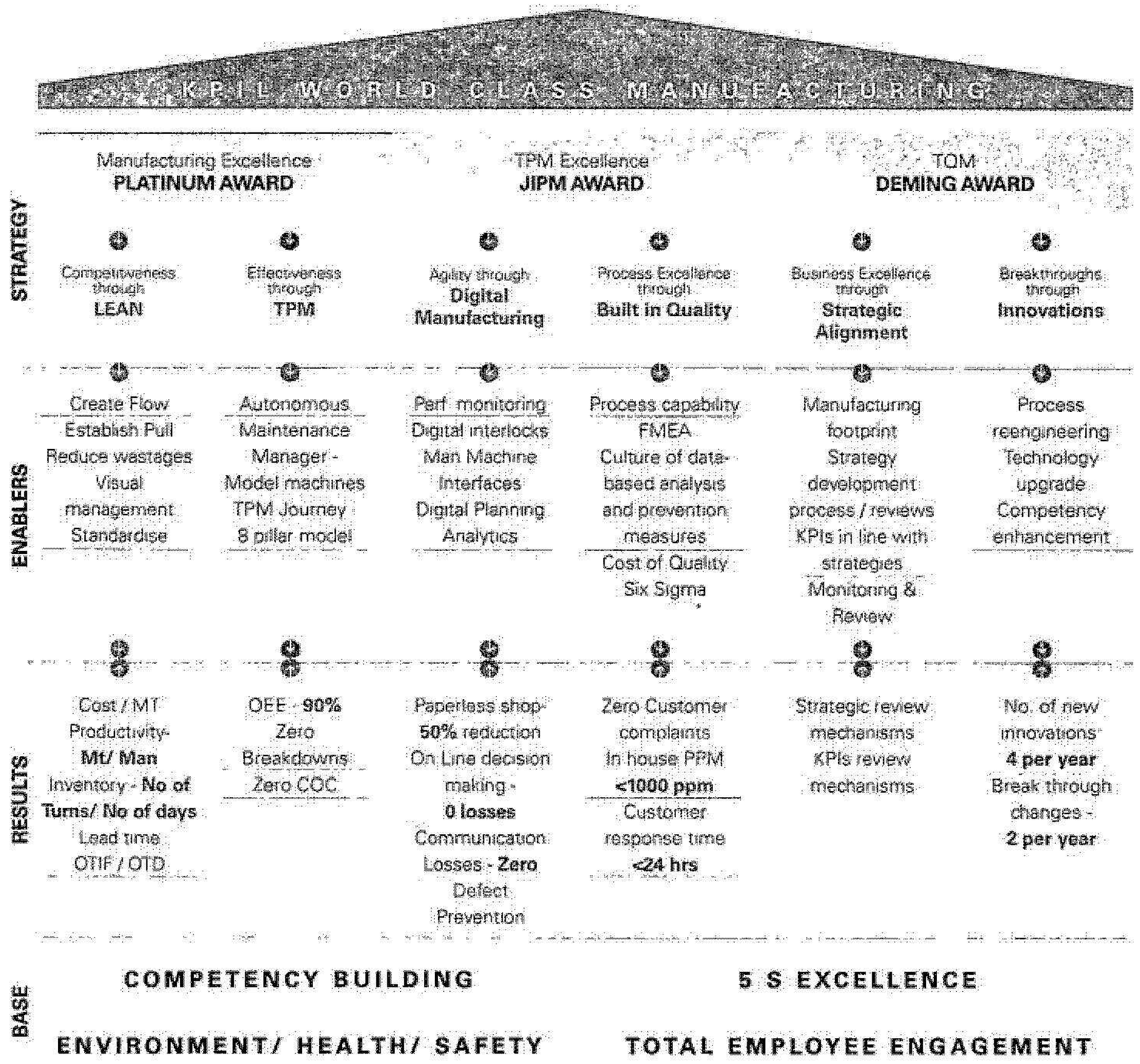


## Quality management

At KPIL, our commitment towards delivering excellence minimises the need for repairs and rework. To uphold this commitment, we have embraced Kaizen practices, fostering a culture of continuous improvement across our operations.

Furthermore, our stores adhere to the rigorous standards of 5S practices, ensuring optimal organisation and efficiency. Before embarking on any project, we meticulously conduct root cause analyses, checking all compliance requirements to ensure precision and accuracy in our endeavours.

We regularly assess and refine our quality management framework to ensure its alignment with the evolving requirements of our expanding business, customers, and regulatory standards. Our agile Manufacturing Excellence Model drives our ongoing efforts for continuous enhancement, incorporating initiatives such as Quality Circle (CFT Projects), Six Sigma interventions, and similar measures.




Moreover, our meticulous approach extends to our workforce, where we prioritise upskilling initiatives and overall well-being of employees. By investing in our people, we guarantee that our projects are executed with the utmost quality and proficiency, setting the benchmark for excellence in our industry.





## Operational excellence

KPIL is committed to achieving operational excellence across all its business units. In line with this vision, the tower manufacturing plant has embarked on a continuous improvement journey. This initiative involves implementing best practices across all departments, leveraging spirits of our employees and the guidance of leadership and external advisors.

### Operational excellence

Ventured into new territories including Madagascar, Poland, Tanzania, and Niger, where we have successfully supplied transmission tower parts during FY 2023-24.

### Supply to European customers

KPIL has become the first Indian Tower Manufacturing company to successfully manufacture and supply Transmission Towers to Government utility in Europe.

- **Introducing new systems**

  Implemented a comprehensive testing and certification system for welding, including Ultrasonic Testing (UT), Radiographic Testing (RT), and Magnetic Particle Testing (MT) across our projects in Poland. Our internal employees involved in welding operations have been certified, ensuring adherence to international quality standards.

- **Implementing improvement programmes**

  - Adopted Total Productive Maintenance (TPM) practices with the goal of achieving the JIPM award by FY 2025-26.
  - Implemented continuous improvement methodologies such as Kaizen, Lean, and 5S, complemented by Root Cause Analysis (R&R) conducted on a monthly basis. As part of our Lean Manufacturing initiatives, we have undertaken various transformation projects aimed at enhancing operational efficiency. We have also optimised space utilisation by implementing a Vertical Storage system in the Finished Goods area and installed a Conveyorised Bundling system for streamlined operations.

### Awards and Recognition

We have received the **QCFI Gold award** in 2024 at the National Safety Convention Bhilai Chapter for our Case Study on **"Process Fumes Isolation",** highlighting our commitment to safety and innovation.

We have also been honoured with the TPM Significant Achievement award, recognising our dedication to excellence in Total Productive Maintenance practices.

### Garnering positive client feedback

Our clients across various regions including **Tunisia, Colombia, Poland, Madagascar, and Tanzania** have given positive feedback for our supplies.
This underscores our commitment to delivering exceptional quality and service, further strengthening our partnerships and reputation in the global market.

### Way Forward

The global EPC market, particularly Transmission and Distribution (T&D), is poised for significant expansion. Projections indicate a doubling of the T&D market to USD 600 billion annually by 2030, driven by factors such as increased adoption of renewables, infrastructure modernisation, and rising electricity demand. KPIL is strategically positioned to capitalise on these trends, with its expertise and proactive approach. The company is poised to navigate challenges and leverage opportunities, solidifying its position as a leader in the global EPC landscape.

At KPIL, our vision transcends mere top-line growth. We are in favour of sustainable and responsible development. Our focus lies on nurturing growth that is both enduring and environmentally conscious.

In the near term, our primary objective is to enhance operational efficiency, and streamlining our processes to deliver optimal results. Central to our operations are our cultural tenets, guiding our actions and decisions as we strive for excellence. By fostering a culture of accountability and empowerment, we pave the way for continuous improvement and innovation.

Looking ahead, we are poised to expand our renewable energy portfolio with the installation of a 3 MW solar plant at the Uniara Power Plant facility in FY 2024-25. This strategic initiative underscores our commitment to harnessing clean, sustainable energy sources and reducing our environmental impact.

As we embark on our future-ready journey, we are dedicated to building the capabilities necessary to thrive in an ever-evolving landscape. Our aim is to achieve stability by FY 2026-27, fully realising the benefits of the merger and positioning KPIL for sustained success in the years to come.



With a focus on innovative solutions and services, we believe in creating value for our stakeholders by embracing cutting-edge technological solutions, investing in robust research and development capabilities, and cultivating a culture of innovation.

R&D, innovation and digitalisation

Data privacy and security



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## Management Approach

Aligned with our 'Innovation and Digitalisation' vision, we are dedicated to enhancing efficiency and ensuring timely project delivery. We are committed to optimising our processes through the adoption of the latest innovations, including Industrial IoT, drones, and virtual reality. Additionally, our commitment to deploying advanced analytics tools will serve as a compass, guiding us toward unparalleled performance and operational excellence.

We are intensifying our endeavours to expand our business and integrate sustainability into our operations through automation, digitalisation, and a heightened focus on research and development. Led by our skilled design specialists and engineers, we uphold the highest standards of quality delivery. We prioritise skill enhancement and substantial investments in research and development to stay ahead of the curve and consistently provide superior, safe and exceptional services. We are swiftly embracing digitalisation by deploying technologies that facilitate real-time monitoring of our operations.

## Investment in R&D

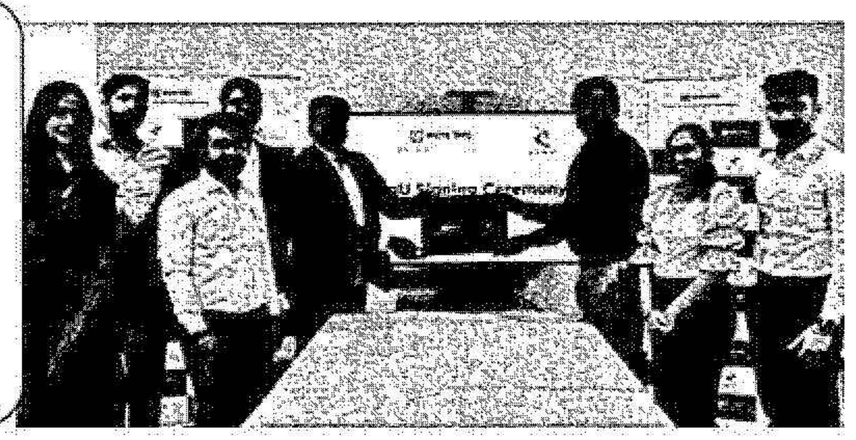
We prioritise investment in Research and Development to continuously enhance our capabilities. We actively foster the adoption of cutting-edge technologies and processes within our teams to ensure they remain at the forefront of innovation.

R&D expenditure
**19.68 cr**
**0.18%** of total expenditure

### CASE STUDY

**Collaboration with SINE at IIT Bombay**

KPIL has joined forces with SINE (Society for Innovation & Entrepreneurship) at IIT Bombay in a momentous collaboration aimed at bolstering early-stage startups in innovative sectors. The partnership, formalised in March, 2024, signifies our commitment to supporting and engaging with startups pioneering advancements in construction, infrastructure, and real estate.



This alliance with SINE, a renowned incubator, is aimed at providing startups with unparalleled access to a spectrum of resources, expert guidance, mentorship, funding avenues, and invaluable market opportunities facilitated by KPIL. Together, our goal is to nurture and empower startups, cultivating a thriving ecosystem conducive to growth, creativity, and triumph in the dynamic landscape of innovation.

### CASE STUDY

**Kalpa-Gyaan:**
**KPIL's Knowledge Management Portal**

At KPIL, we have established a Comprehensive Knowledge Management Platform which is accessible via web and mobile devices with an aim to serve as a centralised repository for project data, training resources, SOPs, method statements, and insights from past projects. By fostering user adoption, we seek to optimise knowledge utilisation, enhancing competitive advantage and improving project execution efficiency. This initiative will drive efficiency, support informed decision-making, and stimulate innovation by providing readily available data.



### Challenges at KPIL Before Implementation

- Lack of a centralised system for capturing, storing, and sharing project learnings.
- Knowledge was stored in isolation, which resulted in the loss of knowledge and expertise when employees left the organisation.
- Difficulty accessing historical project data and insights for informed decision-making.

| Features | Coverage | Benefits |
|---|---|---|
| • Auto List Generation. Automatically generates lists based on previous data entries/history<br>• Keyword Search: Enables users to search within document content.<br>• Filtering and Grouping Allows classification, categorisation, and division-based filtering and grouping, with sub-filters for all categories and multiple selection options for easy and precise search.<br>• Document Access Control Prevents unauthorised downloading to control access and circulation<br>• Web and Mobile Access Available on both web and mobile applications | • Drone videos of completed projects for knowledge repository and external demonstration<br>• Best practices adopted at sites.<br>• Project closure repository<br>• Work methods, test standards, and Quality Management System (QMS).<br>• Immersive learning and training.<br>• Leveraging in-house expertise, among others | • Centralised access to critical project data, training materials, and best practices.<br>• Facilitates seamless collaboration and knowledge sharing among team members.<br>• Enhances decision-making by providing insights from past projects and tactical knowledge.<br>• Improves efficiency and productivity by streamlining information retrieval processes.<br>• Enables knowledge retention, reducing repeated mistakes and minimising time wastage<br>• Sharpens decision-making and operational effectiveness, aiding in achieving KPIs efficiently.<br>• Provides access to explicit knowledge, various reports, SOPs, standard practices, and new technologies across all functions.<br>• Offers a digital library for continuous learning and access to indigenous products<br>• Promotes lifelong learning among employees, fostering a culture of innovation and growth within the organisation. |

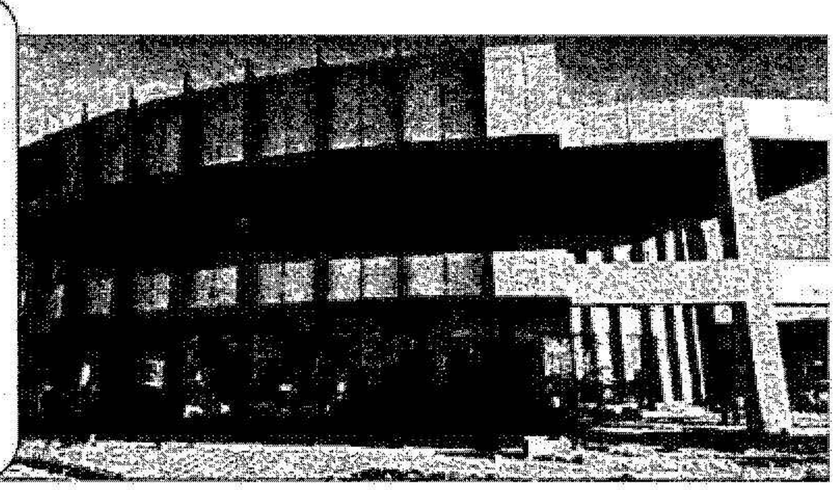
This initiative signifies a transformative step towards fostering a knowledge-driven culture within KPIL, ensuring enhanced performance and sustained growth.

**570+**
Documents uploaded and available for all KPIL employees

## CASE STUDY

**Mongolia Project:**
Overcoming Design Challenges in Extreme Conditions

The Mongol Refinery Project posed unique challenges due to its location in Mongolia. The place recorded extreme temperatures ranging from 40°C to +50°C. The project was awarded to us on a Design and Build basis, with initial conceptual designs provided during the tender stage. KPIL undertook this project with Engineers India Ltd (EIL), Delhi, serving as the Project Management Consultant (PMC).



**Challenges Faced during the project:**

- Mongolia's extreme weather conditions
- Insufficient in-house expertise for the project
- Requirement of adherence to international design codes, which posed a further hurdle as our engineers lacked familiarity with these standards





To address these challenges, the design aspect was initially outsourced to an external agency, but however, after six months of unsuccessful attempts, it became evident that the designs were not meeting the approval standards set by the PMC. Subsequently, we made a bold decision of bringing the design process in-house. Our team undertook a comprehensive study of international design codes, diligently familiarising themselves with the intricacies of European codes for structural design and Mongolian codes for architectural design. With this new knowledge and expertise, we embarked on redesigning the project to meet both functional and aesthetic requirements.

The redesigned architectural plan incorporated a circular building concept with a glass façade and fins, enhancing both the functionality and visual appeal of the structure. By leveraging our newly acquired capabilities in architectural and structural design, we successfully obtained approval for the revised design in a significantly shorter timeframe. This approval paved the way for the smooth execution of the project at the site.

**151.5 Hec**
Total area

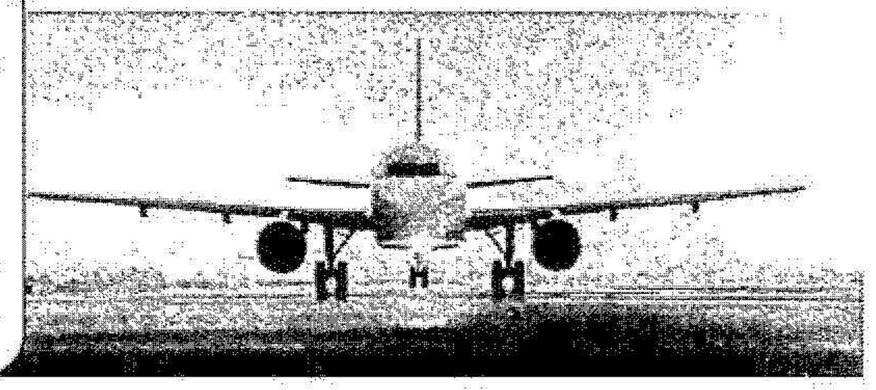
**122 Hec**
Plant area

**29.5 Hec**
Green Belt

## CASE STUDY

**Maldives Project:**
Hanimadhoo International Airport, Maldives

In FY23, we successfully secured our first international airport project, encompassing both airside and landside designs, at Hanimadhoo International Airport, Maldives.



**The project involved a comprehensive scope of work, which includes**

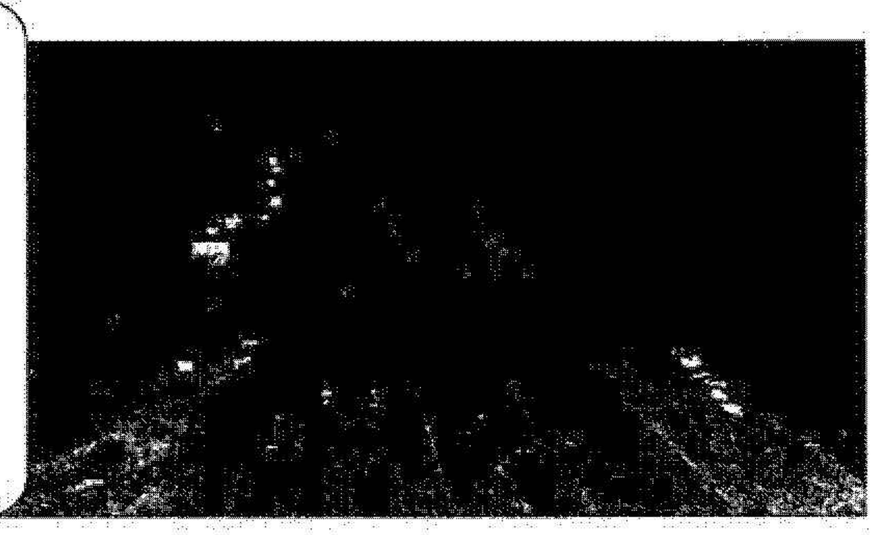
- Construction of a 2.45-km-long runway compliant with 4C code aircraft operations
- Development of aprons and taxiways
- Design and construction of the passenger terminal building
- Building an air traffic control tower
- Establishment of cargo and workshop buildings
- Fuel jetty and passage jetty works

Undertaking an airport project of this magnitude posed a significant challenge for us. Despite initial hurdles, as of today, nearly 95% of the designs have been completed and approved. We have completed 1.6 km runway works and the flights are currently operational on the runway. Through dedicated efforts and relentless determination, we have successfully enhanced our capabilities in airport design and construction. The successful execution of the Hanimadhoo International Airport project has equipped us with invaluable experience and expertise, positioning us as a player in the airport development sector.

## CASE STUDY

**3D Cloud Platform for Managing Survey Data**

We have pioneered the utilisation of a 3D Cloud Platform to manage and leverage information-rich survey data. This innovative approach has helped our survey methodologies, transforming conventional manual methods into streamlined, data-driven processes.



**Previously, our survey operations faced challenges**

- Had to rely heavily on conventional manual methods, posing challenges in data visualisation and sharing.
- Manual efforts had to be made which were labour-intensive and lacked detailed insights into site features.
- Visualising survey data, both conventional and drone-generated, was complex and required specific software, hindering seamless data sharing and cross-business collaboration.

Post implementing the 3D Cloud Platform, we saw a marked a paradigm shift, facilitating centralised storage and easy access to survey data across all business units. With this platform, we have surpassed the limitations of manual methods, creating digital twins of projects for enhanced terrain understanding and detailed engineering design. Visualisation of topographic survey data in 3D has simplified analysis, eliminating the need for proprietary software and enabling efficient project progress tracking.

## Key Benefits of the technology

- **Cloud-Based Online Repository**
  Organised storage of all survey data types, accessible via internet browser without VPN.
- **User-Friendly Interface**
  Allows visualisation and basic analysis of data in 2D/3D without additional software.
- **Enhanced Terrain Understanding**
  Detailed terrain visualisation and cross-section analysis for better project planning.
- **Incremental Progress Monitoring**
  Side-by-side comparison of geo-tagged videos enables effective project monitoring and hurdle identification.
- **Streamlined Communication**
  Surveillance data screenshots aid in client communication for timely issue resolution.

## FY 2023-24 Achievements:

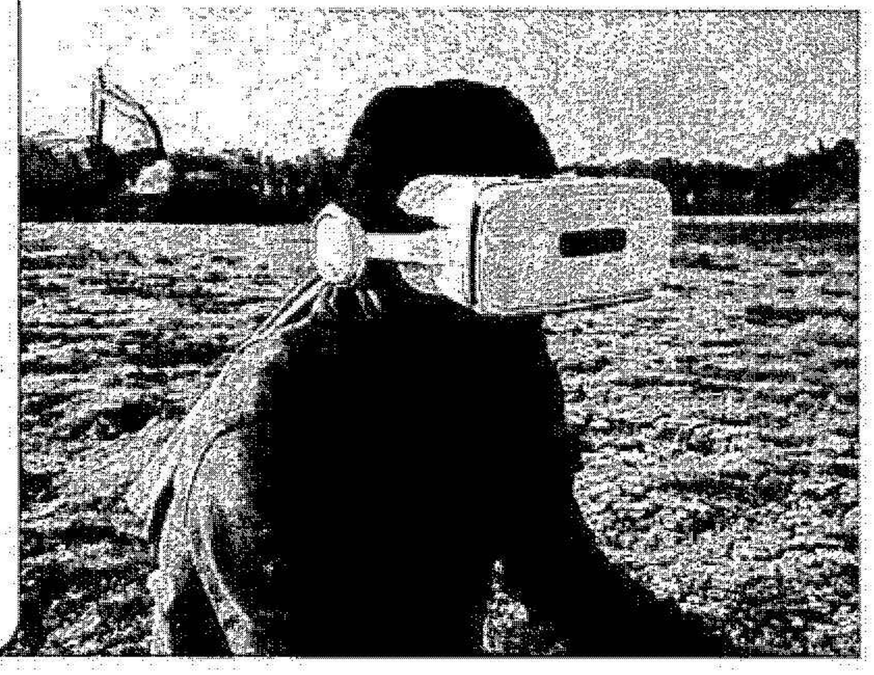
- Over **100 users'** on-boarded, including internal teams, clients, and subcontractors.
- Data from **54 projects** uploaded, spanning Oil and Gas, Water, Railways, Infrastructure, and Transmission and Distribution sectors.
- Successful software development for formation layer generation and cut and fill estimation modules.
- Demo sessions conducted for Railway Design and Tendering teams, showcasing the platform's capabilities.

Overall, the implementation of the 3D Cloud Platform has led to faster project completion and significant cost savings, revolutionising our survey operations and setting a new standard for data-driven project management.

## CASE STUDY

**Virtual Reality:**
Revolutionising Safety Training

We are undertaking a pioneering initiative to transform safety training through the implementation of immersive Virtual Reality (VR) modules. Recognising the paramount importance of safety awareness among its workforce, KPIL has developed cutting-edge VR experiences tailored to transcend linguistic barriers and promote safety consciousness across its global workforce. Our VR solution represents a fusion of innovation and ambition. Capitalising on the capabilities of VR technology and embracing multilingualism, we have crafted 21 immersive training modules designed to overcome linguistic barriers.



These modules offer realistic simulations of various work environments, enabling workers to virtually experience potential hazards and intuitively grasp safety protocols. These modules are available in 17 languages and ensure that every worker receives training in their native language, helping develop a culture of safety awareness and understanding across diverse project sites.





## Features of VR modules:

- Immersive experience
- Multilingual accessibility
- Clear instruction delivery and ease of usage
- Minimal Interaction and maximum Impact

## Benefits of VR Modules:

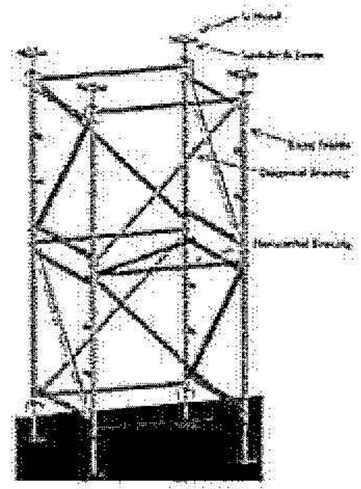
- Enhanced Safety Awareness
- Improved Training Effectiveness
- Extensive Reach, impacting over 7,000 workers across 50+ sites

The initiative spans across TL-Domestic, TL-International, O&G, and Railways sectors, ensuring comprehensive safety training across KPIL's diverse project portfolio. This initiative is a testament to our dedication to innovation and its proactive approach to ensuring the highest standards of safety across its operations.

**Development of Heavy-Duty Tower Staging System for Infra and B&F Projects**

The HD Tower system combines advanced design features with practical site feasibility aspects, making it a preferred choice for modern construction projects. With a steady design capacity and considered high-grade steel, the system ensures structural integrity and durability.

The HD Tower provides flexibility to meet diverse project requirements. Its tower spindle and long solid rod, equipped with spindle nuts for height adjustments, enhance on-site adaptability. Moreover, lightweight components enable easy manual handling during erection and dismantling, while manual labour, supported by workers, can erect towers of any height efficiently. This system's compatibility with various conventional slab and beam formwork systems, coupled with its high load-bearing capacity and integrated bracing, ensures optimal support for high slab formwork or thick deck formwork in civil engineering projects. With provisions for staging towers to any height and erecting multiple towers in the X-Z direction, the HD Tower system represents a comprehensive solution that prioritises both performance and practicality on the construction site.



**2nd Stage Stressing Platform for Kanpur Elevated Metro Project**

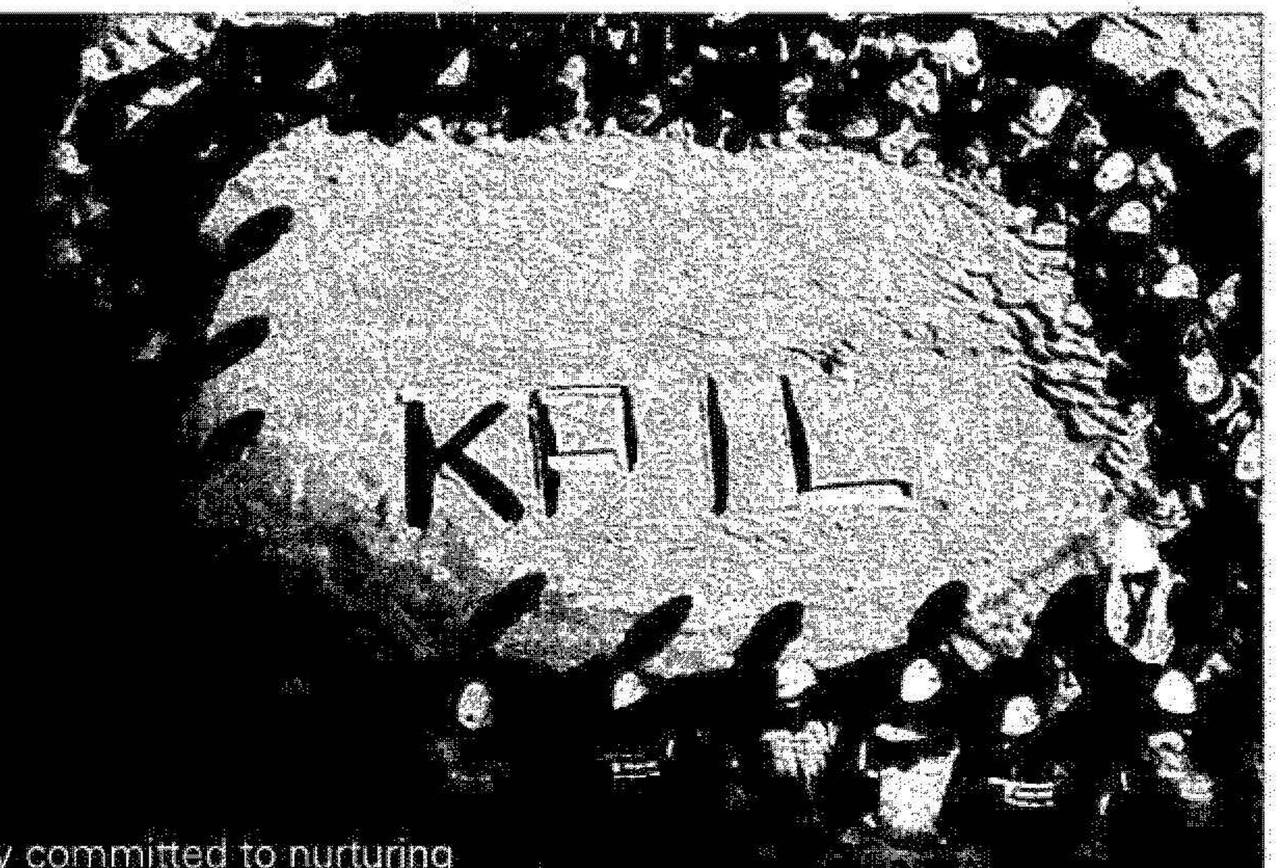
A pier cap stressing platform serves as a crucial component in ensuring the structural integrity and stability of the metro infrastructure. Positioned a top pier caps, these platforms provide a secure foundation for conducting the stressing process efficiently and safely. Pier caps are horizontal elements placed on top of metro piers, providing support for the metro superstructure. Stressing Platform allows construction workers to access the pier cap easily and apply stress to the tendons/ cables within the pier cap. The first stage of prestressing was done after 7 days at the casting yard only. The second stage prestressing has done after taking load/erection of U girders on pier cap.

This stress, typically in the form of tension, is applied to the steel reinforcement bars (rebars) to ensure that they are properly anchored and provide the necessary strength to the structure. The stressing process involves using hydraulic jacks or other mechanisms to stretch the steel bars within the pier cap to a predetermined tension level. This steel reinforcement tension helps to improve the structural integrity and load-bearing capacity of the pier cap. The stressing platform is anchored by the bolts along with a vertical frame in U girders lifting holes. The stressing platform is hanging with vertical frame. Overall, the pier cap stressing platform is designed as a movable component from one span to another spans. The wheel is provided at the bottom of vertical frame for moving purposes, reducing crane operations increases work efficiency.

Hence these pier cap stressing platforms represent a critical component in the construction of robust and reliable metro infrastructure, ensuring the safety and functionality of these transportation systems.

**Way Forward**

As we solidify our presence in emerging markets and sectors through the strategic integration of JMC with KPIL, our focus remains steadfast on expanding the reach of automation, digitisation, and R&D endeavours to bolster the effectiveness and sustainability of our operations. Our goal is to craft a well-defined plan for digital transformation that will fortify our central monitoring systems with real-time data inputs, comprehensive interactive dashboards, and data analytics, enabling us to glean valuable insights and enhance our decision-making processes.




At KPIL, we are deeply committed to nurturing and empowering our human capital. We recognise that our people are our most valuable asset, and as such, we place a strong emphasis on fostering a culture of collaboration, learning, and growth. By prioritising the development and well-being of our employees, we strive to create value-based and people-oriented business operations that drive excellence and sustainable performance. Our approach to human capital management is rooted in a proactive mindset, where we consistently take initiatives to propel our workforce towards excellence.

Human capital holds paramount significance for KPIL, embodying the dedication, expertise, and commitment of our skilled workforce. Their unwavering contributions have been instrumental in establishing our organisation as a prominent player in the EPC industry.

spent annually/employee
Training Expenditure

Training Programmes Organised

new e-learning modules introduced

Human Capital Development

Occupational Health and Safety

Human Rights





## Management Approach

At KPIL, we understand that human capital is the driving force behind innovation, operational excellence, and sustainable growth. We acknowledge and appreciate the intellectual assets and capabilities that individuals bring to the organisation, the intention at KPIL is always to offer a fostering platform to the expertise, creativity, and capacity for innovation.

In our pursuit of operational success and excellence, we have identified four key measures to guide our endeavours.

- Fostering an ownership mindset among our team members, encouraging them to take full responsibility for their actions and decisions, thereby driving successful outcomes.
- Commitment to operational excellence, continually striving to exceed customer expectations through consistent improvements and innovations.
- Nurturing both current and future capabilities, ensuring that we not only maintain our present strengths but also actively develop new skills and competencies to stay ahead in a rapidly evolving landscape.
- Endeavouring to create a positive and supportive environment for all employees, ensuring that every touchpoint of their experience with the company is enriching and fulfilling.

Through these measures, we aim to build a culture of accountability, innovation, and continuous growth. At KPIL, we the foundation for sustained success and excellence in all our operations.

## Impact of the Merger

The merger of human capitals between JMC and KPIL has proven to be immensely beneficial for our company on multiple fronts. With the integration of our human resources, we have

- Witnessed a synergistic effect that has propelled us forward in our journey towards organisational excellence.
- Established a comprehensive human capital framework, serving as a guiding beacon for our talent management strategies

Moreover, our commitment to recognising and appreciating the contributions of our employees has been further amplified, fostering a culture of empowerment and collaboration. By investing in the development of our employees and providing them with ample avenues for professional advancement, we have created a conducive environment for talent retention and career progression.

The merger has not only aligned our resources but has also fostered cross-functional collaboration, enabling us to harness the collective potential of our workforce and unlock diverse career opportunities for our employees. As a result, we have emerged as a larger and more cohesive human resource entity poised to seize new opportunities, and drive sustainable growth.




## Human Capital Development

Human Capital Development is a cornerstone of our organisational ethos at KPIL. We recognise the pivotal role that skilled and empowered employees play in driving our success and growth. With a steadfast commitment to fostering continuous learning and development, we aim to make the process of acquiring new skills and knowledge seamless and accessible to all.

### Highlights for FY 2023-24

As we embark on a new fiscal year, our company's Human Capital report reflects a year of substantial growth and positive change. From FY 2022-23 to FY 2023-24, our workforce has seen a significantly increased in strength, with the number of permanent employees and workers rising from 7,838 to 8,441. This growth is not just a mere statistic but a testament to our commitment to creating sustainable employment opportunities and investing in the long-term potential of our workforce.

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**Our initiatives span across various facets of Human Resources:**

**Talent Attraction**

We have harnessed the power of social media platforms for branding and garnered positive reviews across job portals.

**Diversity & Inclusion**

We prioritise hiring female employees and recruiting talent from diverse geographical areas.

**Leadership Development**

Through comprehensive training initiatives and Senior Leadership Development programmes, we nurture our future leaders.

**Employee Engagement**

We've implemented various initiatives under the **'Say'**, **'Stay'**, **'Strive'** framework, including **KALPA-GAURAV** and **PARICHAY**, among others.

**Employee Wellbeing**

Our wellbeing programmes include physical wellness camps, mental and emotional support, financial aid through the Kalpataru Welfare Fund, and personal support through regular employee meetings.

**Employee Benefits**

We offer a range of benefits, including subsidised insurance policies, healthcare partnerships, annual health check-ups, a 5-day work week, paternity leave, and sabbatical leave for further education.

These initiatives are not just programmes but represent our dedication to creating a greener, more sustainable, and more inclusive future, with our team members' wellbeing as a central focus. We take pride in this approach, which we believe not only enhances our operational excellence but also supports our commitment to social responsibility and ethical business practices.

## Diversity, Inclusion and Equal Opportunity

At KPIL, diversity, inclusion, and equal opportunities are fundamental principles that underpin our work culture and values. We firmly believe in being an equal-opportunity employer, where hiring decisions are made solely based on merit, regardless of gender, caste, religion, or any other characteristic. Our commitment to fostering a culture of collaboration, respect, and fairness ensures that every employee feels valued and empowered to contribute their unique perspectives and showcase their talents, enriching our collective experience, and driving innovation.

In line with our dedication to diversity and inclusion, we have implemented specific initiatives to attract, retain, and develop members of underrepresented groups. Notably, we have prioritised the employment of differently abled individuals, with eleven members currently being part of our workforce. We ensure the members receive dedicated care, support, and attention to facilitate their success in their respective roles.

Within our diverse family, we proudly count employees who have disabilities, showcasing our inclusive culture that embraces all forms of talent. Our workforce also comprises of 3.2% women, reflecting our ongoing efforts to enhance gender diversity. We also deploy local people from 29 nationalities and encourage local communities across business.

Although there is room for improvement, we are dedicated to increasing female representation across all levels of the organisation through targeted hiring and support initiatives.

**8,441**
Total permanent workforce

**3.2%**
Women workforce







## Talent attraction and retention

We recognise that it's crucial to bring in skills and talent to make our projects successful. Understanding that these skilled individuals form the backbone of our operations, and we have always recruited the best people and created an environment where they can thrive and advance in their careers.

In terms of retention, we are pleased to report that our overall turnover rate has decreased from 21.5% to 17.9%. We understand that retaining talent is just as important as attracting it, and we are actively implementing measures to further reduce this rate by addressing the needs and aspirations of our employees.

In the realm of HR digitalisation, we prioritise swift and efficient services. Our automation initiatives have streamlined processes such as appointments, onboarding, and training. Additionally, our HR Grievances Portal, Help Desk, and HR Bot system provide innovative solutions for employee queries, and our FMS (Facility Management System) portal caters to administrative requests.

## Performance reviews and career development

Our employees' growth and development are pivotal to our mutual success. Consequently, all our staff, whether permanent or non-permanent, undergo performance and career development reviews. These assessments are designed to not only recognise and reward achievement but also to chart a path for continuous personal and professional growth.

In alignment with our ethical standards and commitment to the welfare of our employees, we ensure that salaries are competitive, with everyone earning above the minimum wage where applicable. The median salary for our employees has increased from ₹ 7.16 lacs to ₹ 7.50 lacs, reflecting our recognition of their hard work and dedication.

It is our aim to nurture our talent at every career stage, ensuring that our valued workforce continues to contribute significantly to our esteemed position in the industry. Our dedicated team's commitment has been and will always be a critical component of every strategic decision we make.

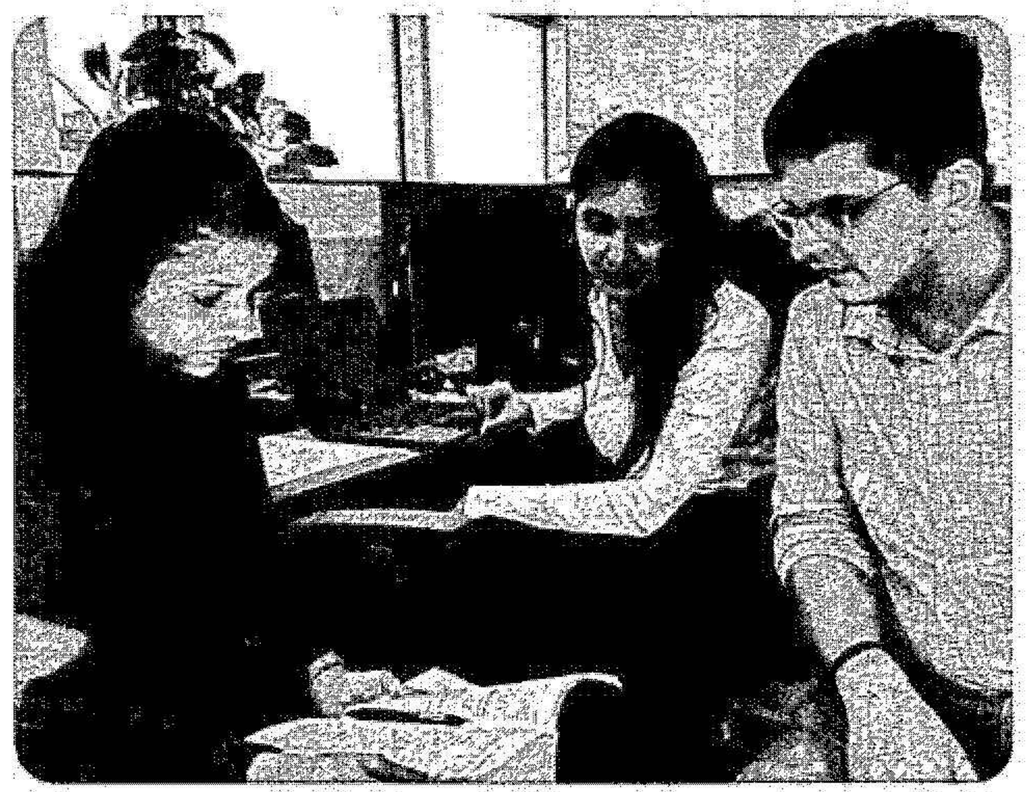
## Employee learning and development

Through our comprehensive learning programmes, we offer a wide array of opportunities for professional development, encompassing functional, technical, management, leadership, and other essential areas. Whether through traditional classroom settings, online platforms, or on-the-job training initiatives, we empower our employees to continually enhance their capabilities and stay abreast of industry trends and best practices.

In line with our dedication to the continuous growth and success of KPIL, we have established a dedicated Skill Development Centre, underscoring our commitment to skilling, upskilling, and reskilling our staff and executives. This center serves as a hub for enhancing capabilities through a myriad of initiatives, including on-the-job trainings, certification programmes, and other relevant skilling interventions. Through these strategic investments in the human capital development, we not only empower our employees to reach their full potential but also position KPIL for sustained success and competitiveness in the marketplace.

## Leadership Development

Leadership development has emerged as a paramount area of emphasis for our organisation as we move forward. Our dedicated Learning and Organisational Development team is tasked with spearheading a multitude of capability enhancement endeavours for employees at all levels. Through a comprehensive three-tiered approach to leadership development, our objective is to identify and cultivate individuals exhibiting exceptional leadership acumen and the potential to assume pivotal roles within the organisation. This structured approach ensures the systematic identification, grooming, and advancement of future leaders who will drive our company's success and innovation forward.



**ELEVATE**

**Early Leadership Excellence, Visioning and Talent Engagement Programme.**

The customised 9-month programme is designed for talented employees with high potential and strong performance, spanning from entry to mid-management levels.

**LEAP**

**Leadership Excellence and Purpose.**

This programme spans over nine months and is designed for employees with high potential, ranging from mid to senior-management levels.

**SLDP**

**Senior Leadership Development Programme**

Developed collaboratively with the Indian Institute of Management, Ahmedabad specifically for senior leaders, this programme elevates essential skills among leaders with high potential

**AIM**

The programme is conducted through a partnership with Development Dimension International (DDI) and Right Management. It consists of a blend of periodic classroom sessions.

The programme is conducted in partnership with Jombay, integrating classroom sessions, peer interaction, and self-paced virtual learning via the iDEV app provided by Jombay.

The on-site sessions aim to assist leaders in gaining a deeper understanding of essential leadership and managerial skills through instruction from experienced faculty members.

We have continued Leadership Development programmes. Following is the details:

| Programme Name | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| SLDP | 54 | 35 (Launched) | - |
| LEAP | 55 | 42 | 30 |
| ELEVATE | 54 | 52 | 79 |

### Career Mentoring for Young Talents

This programme is meant for mentoring the young talent to provide guidance on Career Development

Senior Leadership including Managing Directors invest their time to shape up the career of mentees and to build a skilled team of dynamic people

### Technical Training

Technical training is a cornerstone of our approach to workforce development reflecting our commitment to leveraging cutting-edge technology and innovation across all aspects of our operations. We embrace a comprehensive three-pronged strategy to empower our teams with the necessary skills and expertise.

1) Firstly, through on-the-job practical skills training, employees engage in hands-on learning experiences that directly apply to their roles, fostering competency and confidence in real-world scenarios.
2) Secondly, our custom-designed Learning Management System (LMS) hosts a range of technical training modules, offering post-training assessments to reinforce learning outcomes effectively.
3) Lastly, we prioritise external certification and specialised training programmes to equip our teams with highly critical technical skills, ensuring they remain at the forefront of industry standards and best practices.

Through these immersive and interactive learning modalities, we cultivate a culture of continuous improvement and excellence, enabling our employees to thrive in a dynamic and competitive environment.

### Functional Training

Functional training plays a pivotal role in our continuous efforts to enhance the competencies of our teams, with a particular emphasis on project management. Recognising the significance of transitioning from construction management to project management, we have embarked on a comprehensive journey to cultivate a talent pool capable of assuming leadership roles in project execution both now and in the future.

To this end, we have implemented two specialised programmes tailored to equip our teams with the requisite tools and knowledge to navigate the multifaceted challenges inherent in project execution.

**Partnership with S P Jain School of Global Management**

Through a strategic partnership with S P Jain School of Global Management, we offer a project management certification programme covering essential areas such as design thinking, critical thinking, crisis leadership, budget management, and contracts administration. This rigorous module delves into key project management domains, including strategy development, stakeholder engagement, risk assessment, project scoping, resource allocation, and team leadership, fostering a holistic understanding of project dynamics.





**Project Management for Key Performers – Virtual Series**

To reach a wider audience, particularly key performers of our teams located at domestic and international project sites, a virtual Project Management series was launched. We have partnered with JK Technosoft to deliver 3 programmes for Key Performers of the businesses.

1. **Project Management**
2. **Project Risk Management**
3. **Strategic Cost Management**

**Following are the details of the said programme:**

- Total 125 participants facilitated.
- 4 days of programme spanning 3 hours of learning every day.
- 1 week gap to implement the programme learnings on their respective work locations
- Two assignments and a case study to be submitted by each participant to ascertain their learning.

**Following are some of the benefits received from the above programmes:**

- Developed 92 Project Managers
- 47 Key Performing employees have taken higher responsibilities after the programme
- Understood and used PMI's Project Management Framework tool
- Understanding of costing and change management that is related to their specific project sites
- Improved understanding on Contracts & Claims Management
- Able to manage uncertainty and fierce competition
- Mind set shift from Construction to Project Management
- Smooth closure of the projects in due time frame.

### Making Winning A Habit (PIP based programme)

With an objective to effectively support underperforming employees to do their job better and turn them into productive members of the team, we conduct oneday programme on "Making Winning A Habit" for employees rated as "C". Under this programme, employee are provided with various insights and tools to make them effective contributor to their teams. The programme content includes Effective Communication, Leadership traits, Conflict Management, Emotional Intelligence, and making SMART goals.

**We have conducted 2 programmes consisting 71 participants.**

## Employee Engagement and benefits

Employee engagement is a top priority at KPIL, and we go above and beyond traditional initiatives to foster a culture of wellness, togetherness, and support. Beyond the customary engagement events such as summer camps for employees' children, festive celebrations, and annual gatherings, we emphasise the holistic well-being of our employees, recognising them as integral members of the Kalp-Parivar. Constantly evolving and re-evaluating our policies, we ensure that they align with the best interests of our employees.

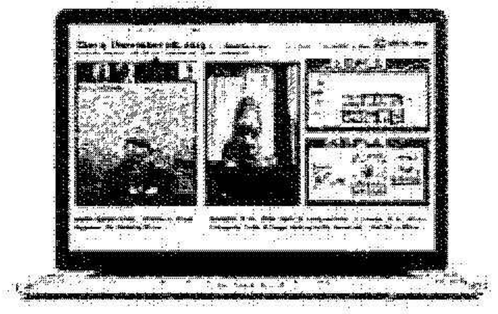
| | | | |
|---|---|---|---|
| **Flexible working hours & leave policy** | **Paternity leave & sabbaticals** | **Supporting employees during significant life events** | **Annual health checkups** |
| **First aid & CPR training sessions** | **Medical insurance policy with enhanced coverage limits for employees across various grades** | **Health and accidental insurance coverage to all our employees** | **Higher education Policy** |

### Awareness on Anti-bribery management system

Keeping the good governance as practice and to assure its sustainability, full fledged one week celebration of Anti- Bribery and Anti- Corruption (ABAC) week was celebrated in December adjacent with international Anti-Corruption day

Senior leaders in the form of Chairman, Ethics Director, Director, Chief Financial Officer, Company Secretary guided the participants with their experience and insights.

Engagement of all employees were encouraged through different awareness sessions like panel discussion.



## Occupational Health and Safety

At KPIL, the commitment to Environment, Health, and Safety (EHS) is deeply ingrained in our organisational culture, forming the cornerstone of our operations. We uphold this ethos through a multifaceted approach that encompasses comprehensive policies and Standard Operating Procedures (SOPs), ensuring that EHS considerations are integrated into every aspect of our business processes.

The linkage of EHS Key Result Areas (KRAs) at all levels underscores our unwavering dedication to prioritising safety and environmental stewardship across the organisation. Furthermore, our adherence to detailed EHS risk assessments enables proactive identification and mitigation of potential hazards, safeguarding the well-being of our employees and the communities in which we operate. Empowering our Business Units, Regional Offices, and sites, we reinforce our commitment to EHS through empowerment letters from our Managing Director and EHS Head, emphasising accountability and responsibility at all levels. Additionally, we prioritise EHS integration in the planning and design stages of every new project, ensuring that safety and environmental considerations are intrinsic to our operations from inception.

In addition to that, we also have a comprehensive OHS Policy in place which is applicable to all our operations. To support the implementation of the same, we have a robust OHS management system covering an array of elements. Moreover, our KPIL Toll-Free number (1800 833 7979) serves as a convenient reporting mechanism for employees to promptly report unsafe acts or conditions, fostering a culture of transparency, accountability, and continuous improvement in EHS practices throughout the organisation.



### OHS Practices

Below mentioned steps are in the direction of efficiently implementing OHS initiatives in a four-structured paradigm

#### Monitoring

- We collate and review project specific EHS data on a daily basis to ensure ongoing monitoring and evaluation of safety and environmental performance. We regularly conduct Rapid Quantitative EHS assessments at each site to comprehensively evaluate EHS compliance and identify potential areas for improvement.
- We conduct quarterly team assessments and provide EHS updates to the chairman and board of directors, ensuring transparency and accountability in EHS practices and fostering a culture of continuous improvement.

#### Measuring

- We have implemented a detailed dashboard providing a consolidated view of Company-level metrics while enabling drill-down into site-specific issues for enhanced visibility and accountability.
- Continually conduct three-layer cross-entity audits to ensure comprehensive assessment of EHS performance and compliance across all organisational levels, fostering a culture of transparency and continuous improvement.

#### Training and Development

- We provide comprehensive training during induction to familiarise new employees with EHS policies, procedures, and best practices.
- Regularly conduct workshops and on-the-job training sessions for contractors and project managers to enhance their understanding of EHS requirements and promote safe work practices.
- We have implemented a behavioural-based safety cultural transformation initiative to foster a safety-conscious mindset and encourage proactive hazard identification and mitigation among employees.
- Emergency drills are conducted to assess preparedness and response capabilities in various crisis scenarios, ensuring employees are equipped to handle emergencies effectively.
- Safety Passports are issued to employees as proof of completion of relevant EHS training and competency assessments, reinforcing their commitment to safety standards.
- We recognise exemplary EHS performance through EHS Awards while enforcing disciplinary policies for unsafe acts or conditions, promoting accountability and compliance with EHS protocols.



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#### In-depth Incident Investigation

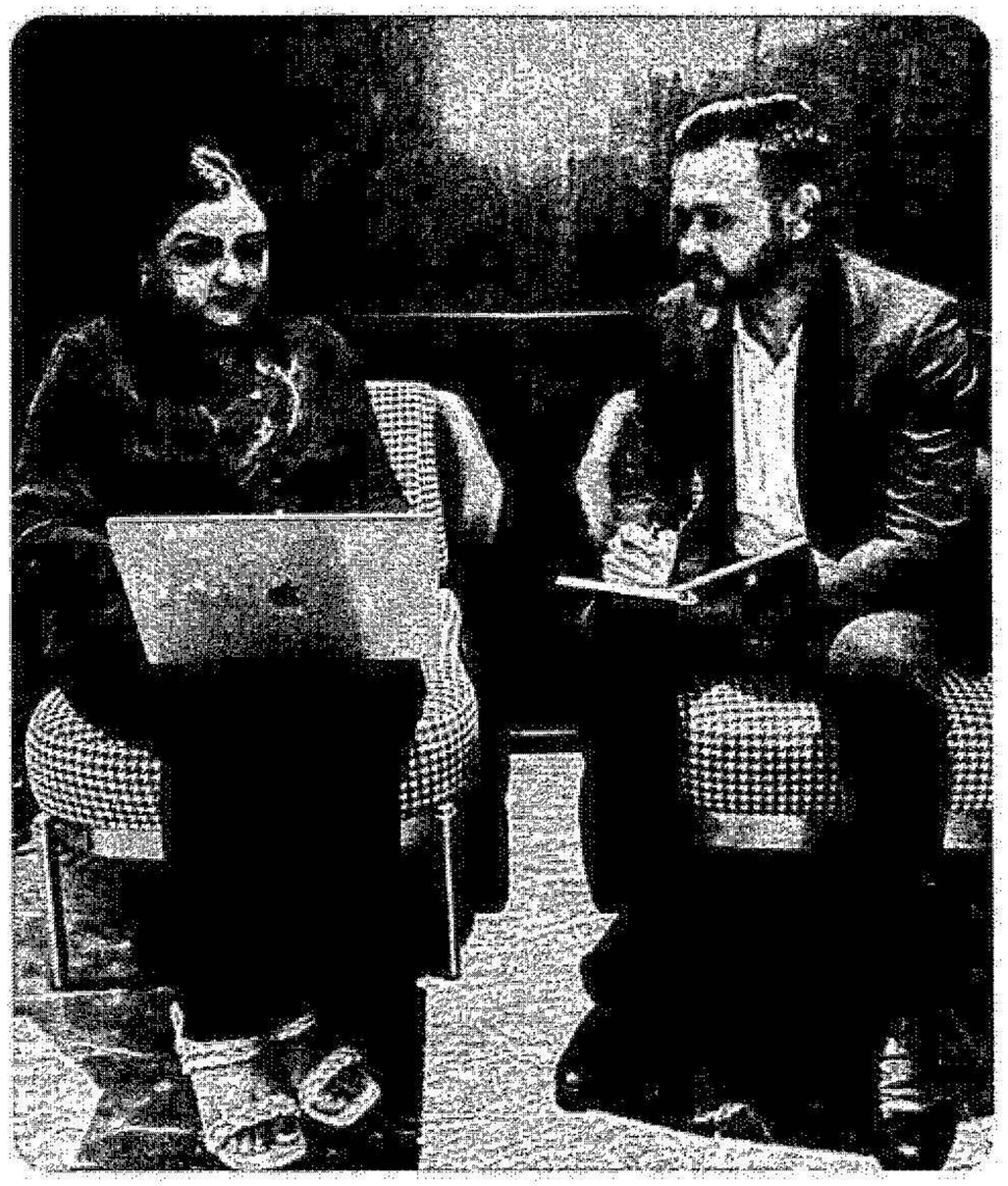
- We have implemented a fast-track incident call tree system to promptly notify relevant stakeholders and initiate the incident investigation process.
- We conduct an detailed analysis analysis to delve deeper into the root causes of incidents, enabling a thorough understanding of contributing factors and implementing effective corrective actions.
- Established a Knowledge Management system to facilitate the sharing of lessons learned from incidents across the organisation, fostering continuous improvement and preventing recurrence of similar incidents.

Through a structured approach, we continuously work towards achieving our ambitious objective of Zero Harm, wherein the engagement and dedication of our employees serve as catalysts for progress.

Within our business units, a systematic and periodic assessment is conducted to identify potential risks stemming from occupational activities. These risks are categorised based on their frequency and severity, enabling us to prioritise and address them effectively. Those deemed critical, owing to their elevated severity levels, prompt immediate actions aimed at mitigation and elimination. Additionally, in instances where risks, despite their lower probability, are perceived as critical, proactive measures are undertaken to mitigate potential hazards. We also provide comprehensive awareness training provided to all workers at every stage of their journey, equipping them with the knowledge and understanding necessary to identify hazardous activities and comprehend the consequences therein.

Furthermore, robust communication channels are established, providing workers with avenues to report any work-related hazards promptly, fostering a collaborative approach towards safety. Through monthly safety committee meetings and regular interactions with department heads and project leadership teams, we ensure that the voices of our employees are heard, and their concerns are addressed in a timely and effective manner. We are dedicated to fostering a safe and secure work environment.

As part of our broader commitment to environmental, social, and governance (ESG) practices, we have instituted quantitative health and safety targets, designed to cultivate a safe working ecosystem that prioritises employee well-being and fosters a culture of continuous improvement and excellence.



**Key performance indicators**

| Safety Incident/Number | Category | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|---|---|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked) | Employees | 0 | 0 | 0.16 | 0.112 |
| | Workers | 0.084 | 0.078 | | |
| Total recordable work-related injuries | Employees | 0 | 0 | 0 | 0 |
| | Workers | 81* | 16 | 32 | 22 |
| No. of fatalities | Employees | 0 | 0 | 0 | 0 |
| | Workers | 2 | 7 | 6 | 6 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 | 0 | 0 |
| | Workers | 0 | 0 | 0 | 0 |

*Note 1 : From FY 2023-24 we have revised the accounting methodology to cover RWC (Restricted Work Cases) & MTC (Medical Treatment Cases) for reporting Total recordable work-related injuries.

**Fatality**

Reduction in fatality from 7 to 2 from FY2023 to FY2024 basis; resultant of extensive study and focused action plans, which is rigorously followed, monitored and leverage for the excellence and to attain Zero Harm Goal

**LTIFR**

This year LTIFR is categorised for employee and workers

## EHS Initiatives

We instill a culture of safety and environmental consciousness, ensuring that our employees and contractors are fully integrated with our Environmental, Health, and Safety (EHS) initiatives to prevent and mitigate incidents.

We have structured our approach into 5 key areas to ensure a comprehensive EHS framework

### Process Driven Approach

- Implementation of an effective and continuous **Daily Safety reporting system** across all sites, ensuring timely reporting and analysis of safety-related incidents.
- Adoption of a comprehensive **Corporate EHS Operational control procedure,** outlining step-by-step guidelines and safe work practices for all operational activities.
- **Utilisation of a detailed incident investigation guideline** to identify and address the root causes of incidents, promoting a proactive approach to incident management and prevention.
- Deployment of an **EHS Dashboard** to closely monitor and reflect the EHS performance of each project at the site level, enabling real-time tracking and analysis of safety metrics.
- Implementation of **EHS enforcement** and work stoppage guidelines, ensuring immediate action in cases where activities may pose a high potential risk to safety.
- Establishment of an **EHS reward and recognition policy** to incentivise employees for their exemplary EHS performance, fostering a culture of safety and accountability.
- Issuance of empowerment letters to **Business Unit (BU)** and **Site EHS heads,** delegating them with various duties and responsibilities pertinent to project safety management.
- Development and issuance of **visitor safety guidelines** to enhance the visitor management system, ensuring the safety of all individuals on site.
- Enforcement of an **EHS Disciplinary Policy** to maintain effective discipline and enhance productivity, reinforcing the importance of safety protocols and compliance.
- Implementation of an **EHS Journal** to manage emergency crises and foster collaboration towards building a positive EHS culture, facilitating awareness and knowledge sharing across the organisation.

### Robust EHS Review Mechanism

- Implementation of **a multi-layered EHS audit process,** involving three distinct layers to comprehensively understand common challenges, expectations, and assess the sustainability of existing systems.
- Adoption of a quantitative rapid **EHS performance assessment** methodology at project sites, facilitating real-time monitoring and measurement of EHS performance indicators.
- Establishment of an **EHS steering committee** at Business Unit (BU), Regional Office (RO), and Site levels, aimed at enhancing the robustness and effectiveness of the EHS review mechanism.
- Circulation of monthly EHS Snapshots to all leadership teams, enabling a focused approach across KPIL projects sites by providing insights into **EHS performance metrics.**
- **Conducting EHS Walk rounds** of project sites by BU Heads and project site line management teams, fostering accessibility and resolution of EHS issues while encouraging staff towards EHS adherence.
- Regular fortnightly **EHS reviews** with BU and RO EHS heads, facilitating the review of ongoing initiatives and EHS performance status.
- Utilisation of **customer feedback forms** to gauge customer satisfaction levels regarding EHS standards, ensuring alignment with customer expectations.
- Organisation of **EHS council meetings** for all BU and RO EHS heads to review site EHS status and strategise the roadmap for the upcoming quarter.
- Provision of CCTV camera systems at tower locations to monitor safe work practices and enhance **EHS surveillance.**
- Implementation of **Artificial Intelligence monitoring** to capture and address unsafe work practices, leveraging technology for proactive EHS management.
- Deployment of **EHS digitalisation** reporting tools covering the entire EHS spectrum, enhancing data accuracy, accessibility, and management across EHS initiatives.





### Engineering Control Mechanism

#### Fall Protection Mechanism

- Vertical and horizontal lifelines implemented for innovative fall protection.
- Incorporation of fall arrest systems to ensure safety during work at heights.

#### Passive Fall Control Measures

- Utilisation of safety nets during the erection of transmission towers.
- Integration of passive fall control measures to enhance safety during elevated work.

#### Tool and Tackle Inspection

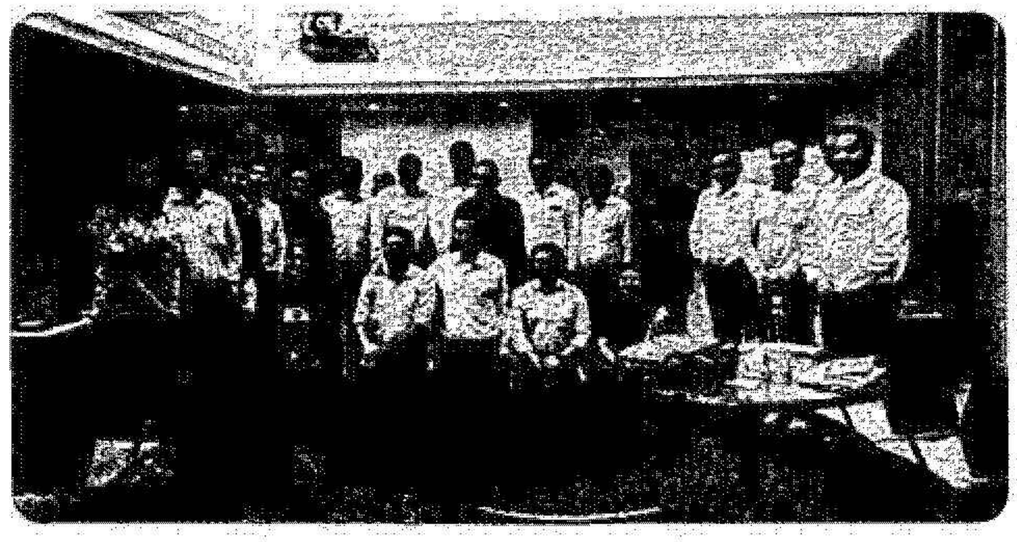
- Regular Third-Party Inspections (TPI) conducted for lifting tools and tackles at the site.
- Ensuring the reliability and safety of lifting equipment through systematic inspection procedures.

#### Trench Safety

- Installation of trench boxes to ensure safety during trenching activities.
- Implementation of measures to prevent trench collapses and ensure worker safety.

#### Electrical Safety Measures

- Implementation of Helmet Mounted Induction Tester and voltage detectors.
- Ensuring safety during work near live lines through advanced detection mechanisms.



### Administrative EHS Process

#### Team Evaluation

- Evaluating the proficiency and experience of workers to ascertain their capability to adhere to safety protocols.

#### Workmen Screening

- Screening process implemented to assess the health and fitness of workers for specific tasks.

#### Height Phobia Test

- Evaluating workers' psychological readiness to work in elevated environments to mitigate risks related to height phobia

#### EHS Induction

- Comprehensive Environmental, Health, and Safety (EHS) induction provided to all workers.
- Ensuring that workers are adequately briefed on safety procedures, protocols, and emergency measures before commencing work.

#### Height Pass for Fit Workers

- Issuance of 'Height Pass' for workers deemed physically and mentally fit for working at heights.
- Ensuring that only workers meeting specific criteria are authorised to perform tasks involving elevated workspaces

### EHS Training

#### State-of-the-Art EHS Learning Center

- Establishment of an advanced EHS learning center facilitating the translation of theoretical knowledge into practical work practices in real-world scenarios

#### Site-Based Safety Park

- Creation of a Safety Park at the site for live demonstrations of safe work practices to showcase safety protocols in action within the working environment

**EHS Learning Management System (LMS) Module**

- Implementation of an EHS LMS module covering various topics to enhance the delivery, tracking, and assessment of learning.

**Virtual Reality EHS Module**

- Introduction of virtual reality (VR) EHS modules on different topics to offer learners a hands-on learning experience in simulated environments to practice and understand safety procedures.

**EHS Induction Movie**

- Development of an EHS induction movie showcasing live working practices to facilitate a comprehensive understanding of safety practices and protocols.

**Weekly EHS Webinar Sessions**

- Conducting weekly EHS webinar sessions open to employees to stay updated on the latest safety practices and protocols.

**Job-specific training sessions**

- Customised and aligned with employees training calendar to ensure that employees are equipped with the necessary skills and knowledge to perform their roles safely and efficiently.

**Encouraging Safe work culture**

As part of our comprehensive EHS system, we offer **EHS motivational clips** to inspire and reinforce a culture of safety awareness among our team. **Leadership EHS workshops** empower our leaders to champion safety initiatives and cultivate a safe working environment.

## CASE STUDY

**EHS Initiative at Raipur Plant**

Our EHS management system stands as a beacon of success, emblematic of our commitment to creating a world-class environment characterised by highly competent individuals, exceptional teams, and a culture imbued with passion and excellence. The recognition of our Raipur Plant with the prestigious Gold Award in the 2024 National Convention on Safety validates our adherence to rigorous safety standards and practices, exemplifying our dedication to ensuring the well-being of our workforce.

Furthermore, our certifications in ISO 9001:2015, ISO 45001:2018, and EN 1090-2 underscore our unwavering commitment to quality, safety, and compliance. Through circle-wise trainings and the establishment of an emergency response team, comprising 52 trained personnel equipped with essential skills in rescue techniques, first aid, and firefighting, we prioritise the safety and preparedness of our workforce. Displaying ERT member details at key access points and implementing advanced systems such as Metal Fumes Exhaust and CNC Drilling demonstrate our proactive approach to maintaining a safe workplace environment and safeguarding the health of our employees. Additionally, our investment in fire alarm and protection systems, automated scaffolding and painting systems, and regular medical check-up programmes further reinforce our holistic approach to occupational health and safety. We have conducted medical check-ups for our workers twice a year with medical tests including PFT, Audiometry, Vertigo, Eye check-up, as per Form No. 33. As for Fire Alarm and Protection, we have installed Fire Alarm system in both office building as per IS 2189:2008. With these measures in place, we ensure not only compliance with regulatory standards but also the well-being and security of our most valuable asset i.e., our people.

## CASE STUDY

**EHS Initiative at Gandhinagar Plant**

Our EHS initiatives at the Gandhinagar plant have set a benchmark for excellence, reflecting our unwavering commitment to the well-being of our employees and workers. Our efforts have been truly impactful, with tangible results evident in our receipt of the prestigious Gold Award in the 2024 National Convention of Safety by QCFI. The recognition of our case study on 'Strategies for Prevention of Workplace Accidents' highlights the effectiveness and innovation of our initiatives in ensuring a safe and secure working environment.

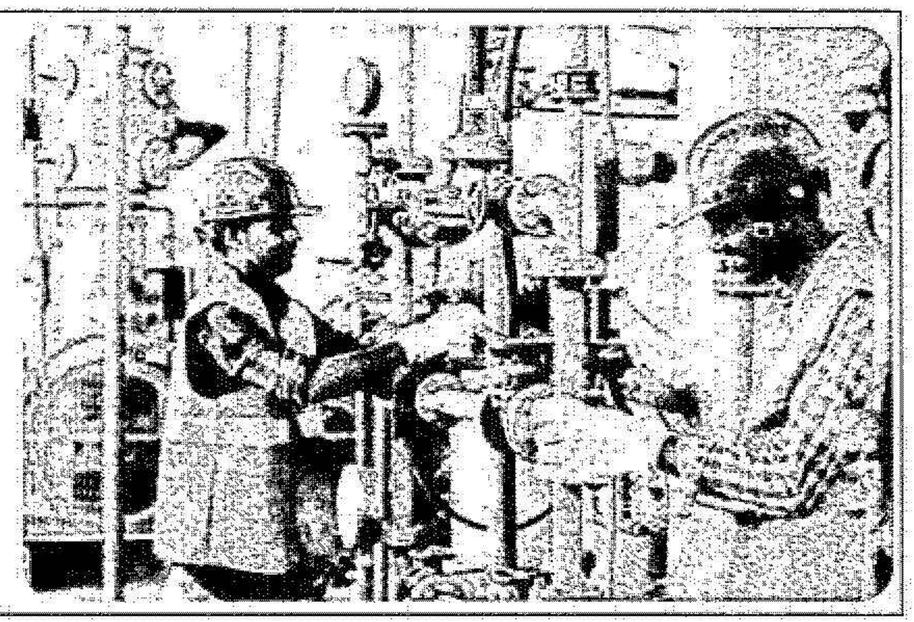


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**National Safety Week**

Every year, we celebrate the National Safety Week Campaign (March 4th to March 11th), which reflects our commitment towards safety in every facet of our life and business operations. The campaign serves as a reminder to prevent mishaps and accidents stemming from negligence or unawareness. The campaign seeks to reiterate our collective commitment to maintaining a safe work environment year-round. Through a series of activities spanning our offices, plants, and project sites, we aim to instill positive learning experiences among our employees and workforce. The week encompassed enlightening awareness sessions, engaging competitions, insightful demonstrations, practical workstation activities, and the EHS pledge.



## Human Rights

We uphold the highest standards of propriety and adherence to all applicable laws, fostering an environment of accountability and respect for the rights and dignity of all individuals. We have a robust human rights policy in place. From employees to agency staff, vendors to contractors' workers, every individual engaged with our operations is entitled to work in an environment characterised by fairness and devoid of discrimination.

Furthermore, we deeply value diversity in all its forms, recognising the intrinsic worth and unique contributions of everyone. We strive towards achieving gender parity, to foster an inclusive workplace where everyone is treated with dignity and respect, regardless of gender or background.

We prioritise the creation of an inclusive and equitable workplace culture that values the inherent worth and dignity of every individual. With a firm belief in fairness and non-discrimination, we ensure that all individuals who work for our company, regardless of their role or position, are treated fairly and without bias. Embracing diversity as a source of strength and innovation, we champion gender parity as a fundamental aspect of our commitment to human rights. Through our actions and policies, we strive to create an environment where everyone feels valued, respected, and empowered to contribute to the success of our organisation.



**Way Forward**

As we solidify our presence in emerging markets and sectors through the strategic integration of JMC with KPIL, our focus remains steadfast on expanding the reach of automation, digitisation, and R&D endeavours to bolster the effectiveness and sustainability of our operations. Our goal is to craft a well-defined plan for digital transformation that will fortify our central monitoring systems with real-time data inputs, comprehensive interactive dashboards, and data analytics, enabling us to glean valuable insights and enhance our decision-making processes.



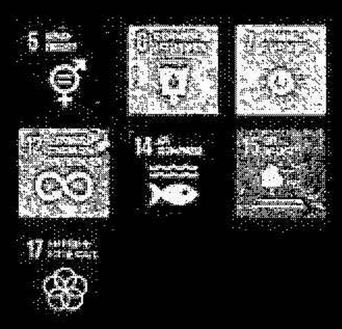
# Social & Relationship Capital

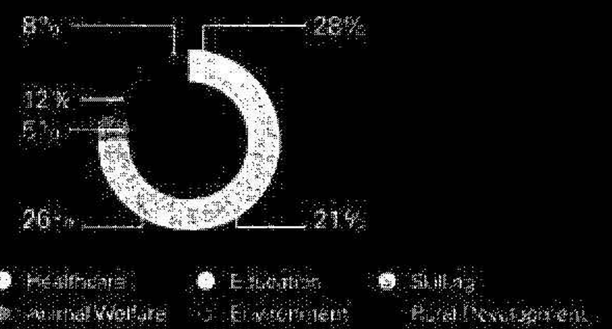
At KPIL, we understand the paramount role that social capital holds within our company, it represents the invaluable network of relationships, trust, and mutual support that forms the foundation of our interactions with customers, partners, community members, and other stakeholders. We are determined to contribute towards the betterment of our community, additionally we also aim to build on an enduring and reliable connection with our cherished stakeholders. By actively listening to our stakeholders and acting on their feedback, we provide our customers with high quality service.

~100* lakhs
CSR Beneficiaries covered under projects (Y-o-Y trend)
Include extended outreach

₹ 9.52 cr
CSR spend FY 2023-24

Customer Centricity
Supply Chain Management
Sustainable Product and Service Quality
Community Engagement










## Management Approach

Our corporate social responsibility endeavours showcase our dedication to go beyond mere financial gains. Through the integration of social and environmental factors into our business operations, we actively engage in advancing the well-being of both society and the environment. Our initiatives towards a better future reflect our holistic understanding of the correlation between business success and societal advancement.

We promote a relation of mutual trust and respect with our stakeholders and strive to improve the quality of life of the people in communities where we have a presence.

We acknowledge the diverse challenges confronting communities across India. Accordingly, our CSR Policy strives to solve multiple challenges faced by the communities through the process of social inclusion. To catalyse sustained social impact and foster systemic transformation, we have instituted the Kalpataru Foundation and the Kalpataru Welfare Trust. Through these organisations, we identify and tackle critical areas of necessity, including healthcare, education, environmental conservation, and community development. We engage in collaborative efforts with stakeholders and harness strategic partnerships to uplift marginalised communities and drive positive change. We have initiated various developmental programmes aimed at supporting the communities across remote project sites to tackle issues faced by them.

## Corporate Social Responsibility (CSR)

KPIL's long-term vision focuses on empowering marginalised and vulnerable communities with the aim to improve their quality of lives. Our CSR efforts are based on partnerships to strive towards achieving long term social impact. These initiatives are based on community engagement, sustainability and are driven in a transparent, ethical way by complying with the applicable laws and regulations. Through these initiatives, Kalpataru strives to build trust with its immediate community and contribute towards the long-term sustainability of the society and environment.

**CSR themes**

- **Healthcare**
- **Education and Skilling**
- **Animal Welfare and Environment**
- **Need-based Community Development Initiatives**

## Healthcare

**Project Name – Kalpa AaRogya sEva (KARE)**

Project KARE aims at promoting access to basic healthcare facilities under preventive, promotive and curative interventions. The flagship initiative of running subsidised dispensaries in Gandhinagar, Gujarat and Khorpa, Chhattisgarh supported medical needs of 48,012 beneficiaries from surrounding villages and towns. The OPD facility complements the government healthcare system by providing specialised interventions in Dentistry, Gynaecological, Orthopaedic and mental well being amongst others. On the other hand, the MRI center has consistently provide subsidised diagnostic services to the marginalised community around Gandhinagar since 2021. This centre has been a big boon to the community which is validated by the number of scans conducted per day and referrals by various doctors around the location. The MRI facility catered to more than 9000 patients in the year, with the highest number of scans done in a month touching 962. As a part of other community healthcare interventions, 600 cataract surgeries were supported through the Vision Foundation of India and more than 230 patients with Parkinson's were covered in partnership with Parkinson's Disease and Movement Disorder Society. The Company has endeavoured to support persons with disability (PWDs) in rural areas through the donation of motorised tricycles. During the year, it has supported 10 such rural beneficiaries near its Unjha Biomass Plant.

In our endeavour to reach the needy patients in remote locations, 3 Patient Transport Ambulances have been donated that will provide access for patients to be timely ferried to nearby city/District hospitals around Khorpa, Chhattisgarh and Jodhpur, Sawai Madhopur in Rajasthan. The ambulance in Sawai Madhopur is equipped with a technologically advanced portable breast cancer detection device,supporting early detection of cancer amongst women who lack access to such diagnostic facilities.

Additionally, the Company has initiated Menstrual Health Management project under which 2 Sanitary Napkin Making machines have been donated. The project aims at providing healthy and safe menstrual hygiene options to young adolescent girls and women from the marginalised communities while breaking the stigma around the topic.

To further promote clean and hygienic sanitation facility, 3 Public Toilets have been constructed near our Plant and site locations in Gandhinagar, Munger in Bihar and Kotpad district in Odisha. The Gandhinagar toilet is built in a bustling vegetable market that receives daily footfall of more than 100 people and small shop owners. The toilets in Munger and village in Kotpad primarily targets the problem of open defecation.

**51000+**
marginalised beneficiaries across multiple States




## CASE STUDY

**Restoring Vision and Livelihood**

Shri. Prakash Rana, a 60 year old resident of Sobhanpur village of Banka district of Bihar earns his livelihood by working as a bus driver in a private school. He supports his family with a monthly income of ₹12,000.

Over the past year, he started experiencing difficulties in identifying speed breakers and traffic signals while driving. Understanding the challenges faced by him, one of his friend advised him to get an eye checkup. He visited a privately run eye clinic where the Ophthalmologist diagnosed him with unilateral cataract and advised him to undergo surgery costing ₹29,000. Given his limited income, he was unable to afford the surgery and continued working despite his impaired vision. Eventually, due to increasing difficulties and the fear of potential accidents, Prakash ji decided to quit his job, hampering his steady household income.

With the support of our grassroot NGO partner, Vision Foundation of India's project "Rashtriya Netra Yagna", Prakash ji visited a free eye checkup camp in his village and was able to undergo successful cataract surgery free of charge. Post-surgery, his vision got restored and he expressed immense relief and gratitude to the Company and NGO partner.

With his vision back, he decided to rejoin his job as a bus driver, thereby regaining his livelihood and independence.







## Education and Skilling

**Project Name – Kalpa Vidya Kalpa Kaushal (KVKK)**

### Education

Education has been a critical area of CSR implementation for the Company.

KPIL's focus has been in bridging the equity gap to provide access to basic education. This has been achieved through targeted interventions in setting up of Digital Smart Classrooms, promoting STEM education, setting up of Computer Labs, making classrooms student friendly by providing adequate furniture, beautifying walls with educational paintings and providing for an interactive learning space. Construction of additional classrooms have supported in increase of enrollments. By installing solar panels, the Company has encouraged usage of renewable energy to save electricity expenses of educational institutes. Further, teachers' training has also played a crucial role in bringing about a pedagogical change in teaching, ensuring long term sustainability of our interventions.



More than 27,000 students have benefitted across 65 educational institutes that includes Tribal Ashramshalas, Government schools, Orphanage for special children and residential school for Hearing impaired students.
We extend our endeavours across varied geographies such as Assam, Chhattisgarh, Jharkhand, Uttar Pradesh, Telangana, Punjab, Odisha, Karnataka, Tamil Nadu, Maharashtra, Rajasthan and Madhya Pradesh.

**27,000+**
Students across 65 institutions benefitted

### Skilling

While KPIL has been working towards strengthening the early education for children across various states, the Company still understands that substantial number of individuals who have either dropped out of the formal education system or are unable to cope in higher education system. Understanding these challenges are prevalent in the society and aligning the same with the skill-gap in the EPC industry, KPIL has supported trainings of more than 650 youth.The technical training has been imparted in partnership with Pan IIT Reach for India Foundation and technical training centres set up in Government Industrial Training Institutes (ITI) across Jharkhand, Maharashtra, Gujarat and Chhattisgarh, and the various site locations covered through National Apprentice Promotion Scheme. KPIL has endeavoured to align the Government of India's Skill India Mission with a vision to bridge the skill gap and provide economic empowerment to youth.

## Animal Welfare and Environment

**Project Name – SAVIOUR**

### Animal Welfare

KPIL's consistent endeavour has been to support the various initiatives impacting the lives of animals. More than 5,100 animals in distress were rescued and treated through our partnership with Trees of Life for Animals (TOLFA) in Ajmer, Rajasthan and Federation of Animal Protection Organisations (FIAPO) present across the country. With the aim to create a sustainable impact, KPIL supported FIAPO's project of bringing about a policy change on the conditions of bovines in India. The study conducted covered 50 dairies that will approximately impact more than 2,200 cattle. Additionally, KPIL supported in creating a temporary shed to provide safe space for stray cattle in Rewa, Madhya Pradesh and donated a Gas cremation furnace to the Animal hospital run by People for Animals in Delhi.



### Environment

KPIL believes that availability of water resource is extremely critical for the communities. Our interventions have helped 4 villages in Maharashtra to get access to water resources through sustainable solutions of water harvesting, Line Farm Ponds, repairing the existing water bodies such as wells and area treatment etc. with an aim to increase water table, providing solar-based clean community drinking water system (RO) that will tackle the health issues in villages were some of the interventions under this project that has benefitted more than 5800 villagers. With the aim to improve accessibility of water, the project has ensured the farmers also move towards sustainable livelihood and are not dependent on only one crop cycle. Notably, the intervention has harvested more than 1,489 m3 of rainwater. Each village has a women-led water committee that has been trained to manage the maintenance and monitoring of the interventions, thereby strengthening the community participation.

The Afforestation project implemented at Lalitpur, Uttar Pradesh in 2022 is a fully grown self-sustained forest. In addition to 10000 saplings planted, 800 more saplings with native species were planted in this ecosystem. The flora & fauna along with biodiversity have flourished in that region.



## CASE STUDY

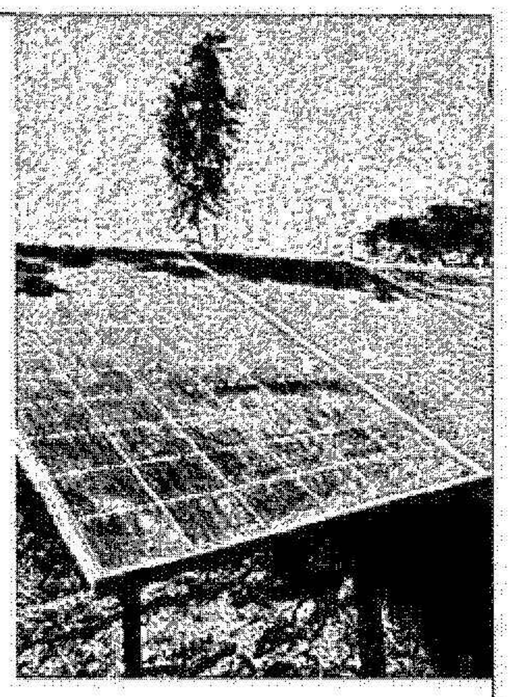
**Solar-Based Reverse Osmosis Systems:**
**Empowering Communities with Clean Drinking Water**

Access to clean drinking water is a fundamental human right, yet many rural communities face the challenge of contaminated water sources, posing significant health risks. Three villages of Igatpuri district were grappling with the problem of contaminated drinking water, leading to widespread health concerns among villagers. The reliance on government infrastructure for water purification was strained, thus, highlighting the need for a sustainable and decentralised solution to ensure access to clean water.

In response to the pressing need, the company through Kalpataru Foundation partnered with BAIF Development Research Foundation to install solar-based Reverse Osmosis (RO) systems in three villages catering to 1125 households. This innovative solution utilised solar energy to power the purification process, thereby, reducing the dependence on conventional energy sources and alleviating the strain on government infrastructure. With a filtration capacity of 1000 liters per day, the system ensured a steady supply of purified water for villagers' consumption needs.

Purified water was dispensed to villagers through a convenient card or coin-based system, ensuring easy access for all. The Gram Panchayat set pricing for the purified water, ensuring affordability while generating revenue for system maintenance and repair. This coin-based system inculcated a sense of ownership and empowerment, fostering a collective commitment to the sustainability of the RO systems.

In addition to providing clean drinking water, the project promoted holistic resource management by allowing the utilisation of unfiltered water for agricultural activities, washing clothes, and watering cattle. This maximised the benefits of the project for the entire community and contributed to sustainable water use.







## Need-Based Community Development

**Project – Kalpa Gramodaya and Unnati Abhiyan**

KPIL supports various needs of the communities around its Plant and Site locations across the country. With an aim to strengthen its social footprints and improving the overall quality of life, KPIL through Kalpataru Foundation has constructed a Community Centre "Asmita Kendra" in a village near Pune, Maharashtra. This community centre has been constructed with an aim to provide villagers to gather together for celebrations, trainings for women, community awareness sessions, etc. It is expected to benefit the entire village of Varawadi that has a population of more than 2000 beneficiaries.

## Responsible Value Chain

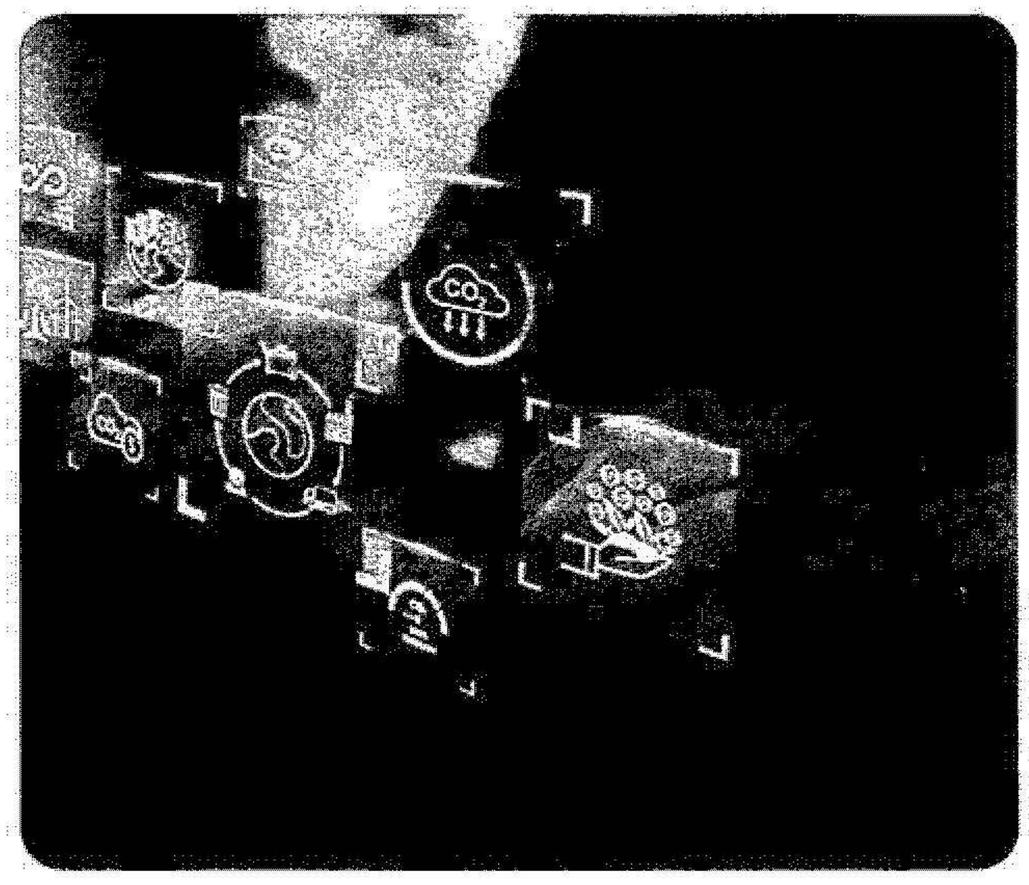
Ensuring a responsible sourcing approach throughout our value chain is paramount for KPIL, as it embodies our core values of ethical conduct, sustainability, and shared prosperity among stakeholders. Recognising the critical role of the value chain, we prioritise responsible practices not only to sustain our business operations but also to uphold our commitment to social responsibility and ethical conduct.

At KPIL, we deeply value the well-being and prosperity of our value chain associates, including suppliers, contractors, and their employees. We believe that fostering their holistic development is not only integral to ethical business operations but also essential for meeting customer needs effectively. We have a robust Supplier relationship management processes and practices aimed at optimising supplier performance, minimising risks, and maximising value throughout the supply chain. By nurturing a responsible value chain, we not only strengthen our business but also contribute to the broader social and economic well-being of our communities.

### Policies

We have established a comprehensive procurement policy and have a designated team with defined roles and responsibilities aligning with our sustainability agenda.

Moreover, we have a robust Supplier Code of Conduct (SCoC), extensively elaborating the expected conduct from our suppliers and other value chain partners in alignment with our Group Values. The SCoC encompasses stringent expectations regarding anti-bribery measures, ethical sourcing and health, safety, and environmental (HSE) standards, reflecting our unwavering dedication to ethical business conduct and sustainability. Furthermore, as part of our rigorous onboarding process, all new suppliers are required to endorse a declaration affirming their commitment to adhere to this Code of Conduct and comply with our anti-bribery and anti-corruption protocols, underscoring our steadfast commitment to responsible value chain management.



### Sustainable and Ethical Sourcing

As an integral component of our ESG strategy, we prioritise sustainable sourcing practices to ensure that our supply chain is not only responsive and resilient but also socially responsible. With consumers increasingly prioritising sustainability in their purchasing decisions, failing to embrace sustainable sourcing practices can have

significant repercussions on brand value and business operations. Therefore, we recognise the imperative to integrate sustainability into every facet of our procurement processes to meet the evolving expectations of our stakeholders and contribute positively to the environment and society.

**Process of socially responsible sourcing:**

- RFQ (Request for Quotation) management
- Value Engineering
- Order Execution

Additionally, we streamline requirements and collaborate closely with the planning team to minimise material wastage, optimise inventory, enhance equipment efficiency, and manage the life cycle costs of procured items.

**Supplier Assessments and Monitoring**

Thorough assessments are conducted during the vendor onboarding phase to evaluate suppliers' social, environmental, and ethical performance, we ensure comprehensive coverage of all our partners. We have intensive criteria in place which encompasses responsible sourcing practices concerning emissions, safety, human rights, ethics, and economic considerations, with compliance with labour principles and relevant legislation. These initiatives are prerequisite for qualification in supplying goods and services.

Furthermore, our primary suppliers hold recognised national and international certifications for Environmental Management Systems, with regular vendor evaluations serving to monitor and ensure ongoing compliance throughout our operational lifecycle. Through these concerted efforts, we are committed to fostering a sustainable supply chain ecosystem that not only meets the needs of our business but also contributes positively to society and the environment.

**Encouraging Local Procurement**

Although a substantial portion of our procurement is carried out via established and largescale suppliers, we also collaborate with local and small-scale producers located near our work sites to fulfill specific project and plant-related material requirements. These encompass a diverse range of items such as MS Black Annealed Wire, wooden boxes and pallets, plasma machine consumables, bolt nuts, hardware fittings, and earth wire, among others. We maintain rigorous evaluation procedures for all sourced materials and conduct routine audits to uphold sustainability and maintain consistency in quality standards.

Local sourcing plays a crucial role in boosting economic growth, supporting communities, and promoting sustainability. We recognise the value of local sourcing and actively take initiatives for it to be a part of our procurement strategy. By sourcing locally, we are not only contributing in strengthening the local economy by generating employment opportunities and stimulating business growth but also are reducing our carbon footprint by minimising transportation distances. Furthermore, local sourcing aligns with our ethical principles, demonstrating our commitment towards responsible business practices and corporate citizenship.

**Initiatives we have undertaken to promote local sourcing:**

- Encouraging participation of local and small-scale vendors in the procurement bidding process
- Employing local labour and contractors along with their equipment, as required by the project
- Assisting MSME (Micro, Small, and Medium Enterprises) vendors in enhancing quality and processes to meet KPIL's quality control standards, thereby reducing rejections
- Providing guidance to MSMEs on technology upgrades and productivity enhancement measures
- Supporting local and small vendors through repeat purchases, finalising rate contracts, conducting visits to supplier sites, holding review meetings to discuss product specifications, and ensuring prompt payments, all of which contribute to their capacity and capability development
- Opportunities for small fabricators to operate within the plant premises are also facilitated by us under our engineers' supervision as part of our commitment to bolstering small and medium-sized businesses

**Supply Chain Roadmap for ESG Management**




**Strategic Initiatives to Optimise Procurement Process**

| |
|---|
| Group ARC & Vendor Development Team |
| Centralisation of Logistics Team |
| Centralised Scrap Disposal Committee |
| Cross-Functional Procurement Committee |





## CASE STUDY

**Empowering MSME Vendors:**
Kalpataru' s Fair Payment Initiative

At KPIL, our dedication to sustainability and ethical business practices extends beyond our projects to our relationships with vendors. Through our Fair Payment Initiative, we prioritise fairness and empowerment by ensuring timely payments to our Micro, Small, and Medium Enterprises (MSME) vendors, bolstering their capabilities. This initiative not only aligns with our commitment to statutory compliance but also recognises the critical role of cash flow for the survival and growth of MSMEs.

Launched in FY 2021-22 (July 2021), this payment mechanism guarantees that MSME vendors receive payment for their invoices promptly, facilitated by a reputable third-party provider. By adhering to legal requirements and settling invoices within stipulated timeframe, we mitigate any accrued interest costs, providing immediate liquidity to our vendors.

This innovative approach has not only preserved robust cash flow for our MSME associates but also fostered a nurturing and enduring business atmosphere. Since its inception, the acceptance rate among our MSME suppliers has notably increased. In FY 2023-24 alone, transactions worth ₹102 crores were facilitated for MSME suppliers through this system, underscoring our unwavering commitment to supporting the growth and resilience of our partners.

## Grievance Mechanism

Our Supplier Grievance Redressal Mechanism offers a structured avenue for suppliers to express any concerns, complaints, or grievances they may have regarding their interactions with our Company. Ethical and integrity-related issues are addressed by the GPSCM Council, aligning with the principles outlined in the Kalpataru Code of Conduct policy. To ensure transparency and accountability, the Supplier Approval Team within each Business Unit diligently monitors and reviews supplier grievance reports. These grievances are categorised into payment-related matters, business disputes, and integrity violations among others, allowing for a thorough and comprehensive resolution process. We maintain accessibility to all existing channels for suppliers to report grievances, while continuously improving traceability and retrievability to streamline the process for enhanced efficiency.

## Customer Centricity

At KPIL, we believe that customer centricity is not just a philosophy but a way of doing business ingrained in our organisational culture. Understanding the pivotal role that satisfied and loyal customers play in driving business success, we are committed to continuously improving their experience with our products and services. By building strong relationships with our customers, we foster trust, loyalty, and advocacy, laying the foundation for long-term partnerships built on mutual respect and shared value.

Our commitment to customer centricity is reflected in the initiatives we undertake to enhance customer satisfaction. We proactively address their needs and concerns and strive to exceed their expectations at every touchpoint.

It brings us immense pride to share that our company has garnered exceptional feedback from our customers across various divisions, including the Water division, Transmission and Distribution Division, SIO-B&F division, and Railway sector.

Our customers have expressed high levels of satisfaction with our services, commending the quality of our work and the effectiveness of our team output. Moreover, we are proud to have received multiple appreciation certificates from esteemed clients in the Water division and Railway sector, recognising the outstanding work delivered by our team. Furthermore, our efforts have been further validated through the receipt of awards and appreciation from most of our clients, affirming our position as a trusted partner in delivering exceptional results and driving value for our customers.

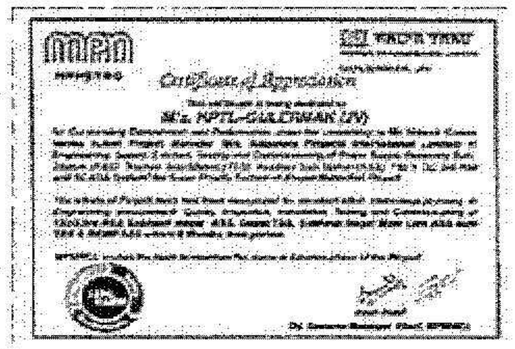
**9.14**
Customer Satisfaction Average (Water Division)

**9.6**
Customer Satisfaction Average (Transmission and Distribution)

**9.05**
Customer Satisfaction Average (B&F Division)

Note: Customer Satisfaction Scores (on the scale of 0 to 10; 10 being highest)



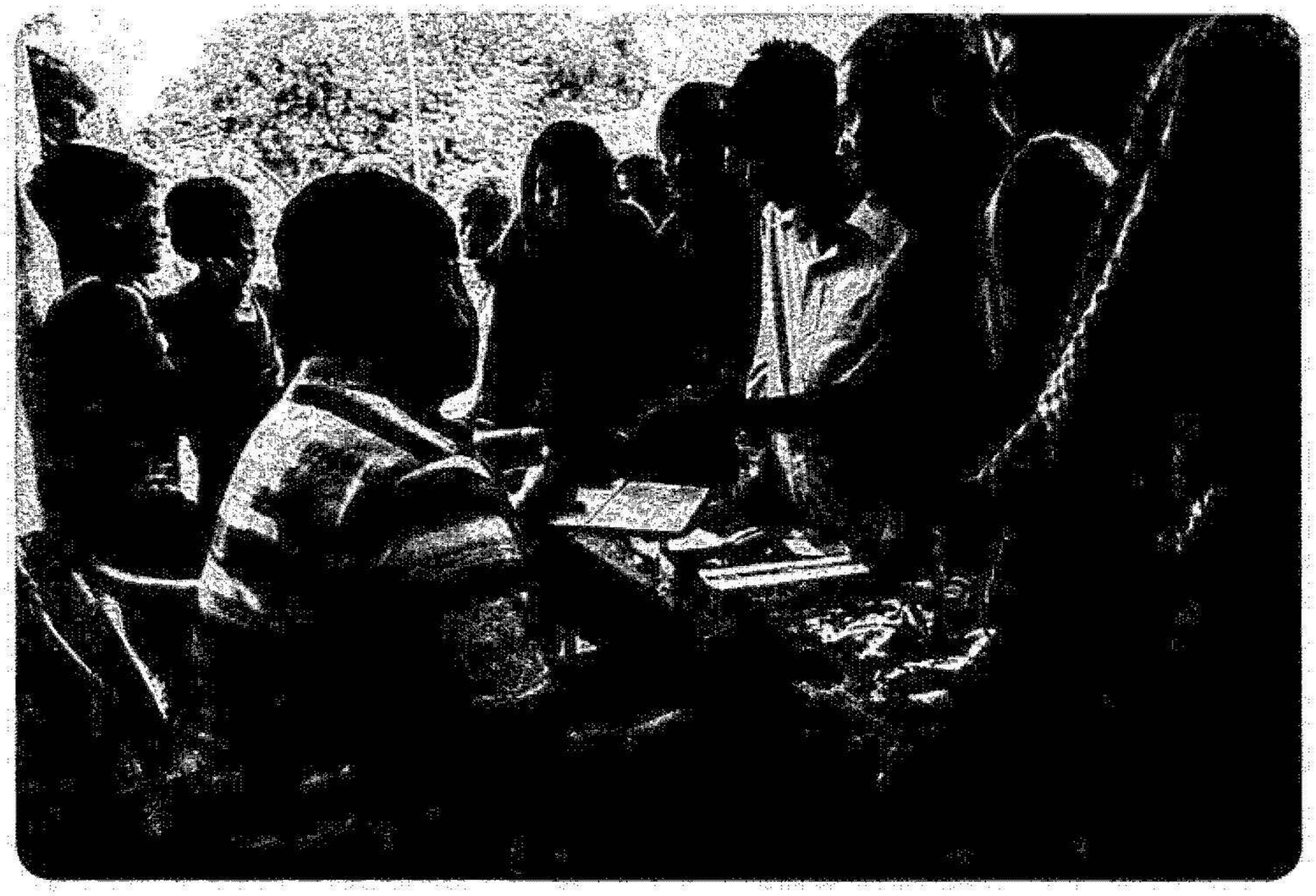




In the FY 2023-24, we continued to receive commendations from various clients, further solidifying our reputation for excellence in service delivery. Among the letters of appreciation received, notable mentions include acknowledgments from esteemed clients such as GRIDE for the Katosan Road - Becharaji project, MPMRCL for the Bhopal Metro project, RVNL for the Anthri - Jhansi project, and RE for the EPC 4 (MH) project, the latter being recognised twice. These letters serve as testament to our unwavering commitment to quality and client satisfaction, reinforcing our position as a trusted partner in delivering successful outcomes for our clients across diverse projects and sectors. The overall customer feedback for the Railway division has been 93%, which we are immensely proud of as it demonstrates our dedication to excellence and our relentless pursuit of exceeding client expectations.

**Customer grievance Redressal mechanism**

We have established a structured process through which customers can voice their concerns, complaints, or grievances regarding any aspect of their interaction with the Company





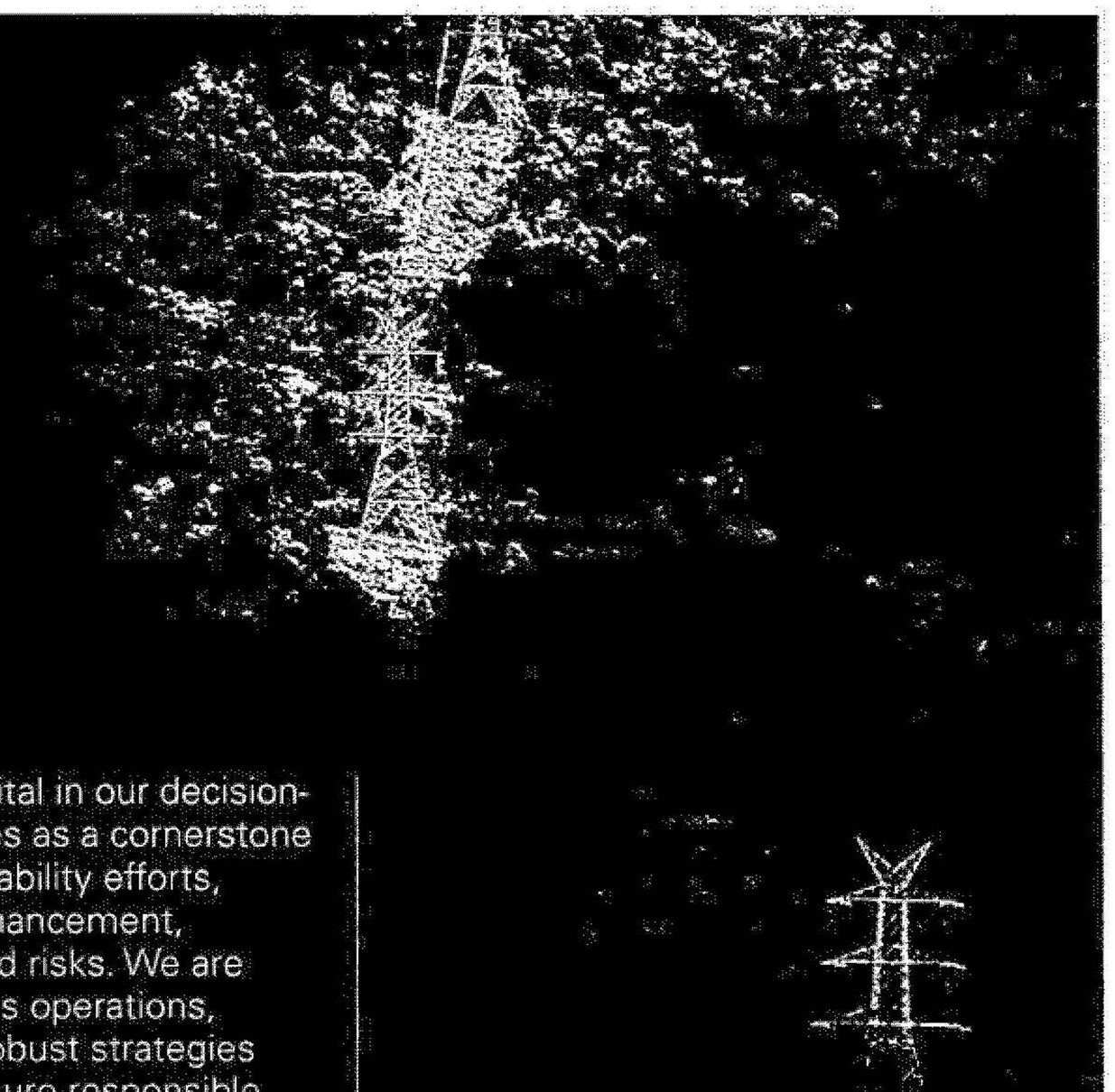




**Way Forward**

KPIL is committed to serving the community and stakeholders with unwavering dedication and a clear vision. To further enhance our community initiatives and deliver greater value, we will assess the impact of our CSR programmes using globally recognised frameworks. This approach ensures transparency, fosters accountability, and enables us to generate more significant societal benefits.

Recognising the importance of our suppliers, we plan to integrate ESG considerations into supplier assessments both pre- and post-onboarding. Through regular audits and a robust compliance mechanism, we aim to fortify our supplier network. Customer satisfaction remains paramount, and we are dedicated to delivering exceptional experiences with robust customer relationship management practices. Moving forward, our goal is to create a positive and lasting impact on the communities we serve, guided by our core values and unwavering commitment to responsible and ethical business practices that advance social progress and environmental sustainability.



# Natural Capital

We prioritise natural capital in our decision-making process. It serves as a cornerstone in evaluating our sustainability efforts, pinpointing areas for enhancement, and assessing associated risks. We are cognizant of our business operations, and we always uphold robust strategies to mitigate risks and ensure responsible resource management. Our commitment to sustainability drives tangible environmental benefits throughout our operations. We're actively implementing renewable energy solutions like solar panels and wind power units, alongside initiatives like rainwater harvesting systems. Moreover, we are dedicated to efficient waste management, employing circular economy principles to recycle and reuse construction and demolition waste wherever feasible.

**1.3%**
Reduction in GHG emissions intensity – Revenue basis

**29.1%**
Reduction in Water Intensity – Revenue basis

**29.2%**
Share of renewable electricity consumption

**All**
Manufacturing plants achieved ZLD

**1,45,744 KL**
Rainwater harvested

**46,000+**
Saplings planted in FY23-24

Note: Intensity measured as per INR crores of Revenue

**Material Issues**

- Climate Change and Energy
- Resource efficiency and circularity
- Pollution
- Biodiversity and land use

**SDGs**

**Capitals Influenced**





## Management Approach

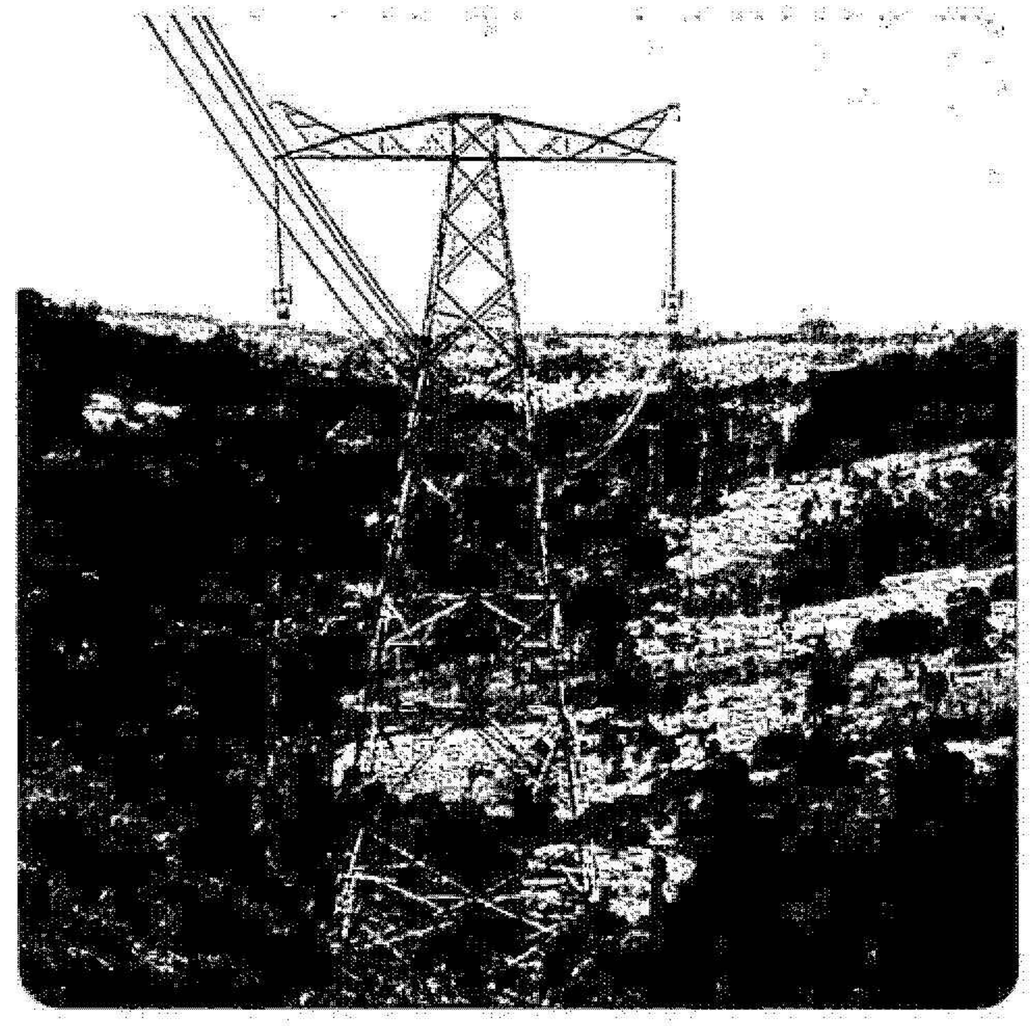
Our overarching growth strategy is centered on optimising resource utilisation and enacting measures to reduce our carbon footprint over the long term. We have established precise benchmarks, employing proactive controls and diligently tracking our advancements to minimise our environmental footprint. Integration of our environmental management strategy into operational processes, policies, and governance systems enhances our capability to recognise and tackle climate-related risks and opportunities.

We operate under an ISO 14001:2015 certified Environmental Management System, governing our business practices and systems. Regular monitoring of environment parameters is ensured at all our sites. Third-party environmental audits, in compliance with Pollution Control Board regulations, are regularly conducted at our sites. The outcomes from these audits are meticulously assessed to ensure adherence and uphold a superior level of environmental performance. Furthermore, we have instituted an environmental risk management system to identify and monitor significant risks stemming from our business activities across diverse sectors. These initiatives are a testament to our commitment of going beyond mere compliance and actively contributing to environmental preservation and protection.

## Energy Management

At KPIL, we recognize the importance of a systematic approach to managing energy consumption and transitioning to low-emission sources. Our commitment to optimising energy usage is reflected in the implementation of various initiatives across our operations. Being an EPC company, energy costs represent a significant portion of our total operating expenses. Practicing effective energy management offers numerous benefits, including the identification of energy-saving opportunities, optimisation of energy usage, and reduction of energy wastage. These practices present opportunities for substantial long-term cost savings while improving our operational efficiency.

As a result, we conducted an energy audit at our tower manufacturing plants. The results of this audit enabled us to pinpoint areas for improvement, such as replacing DC drives with AC ones, upgrading traditional lighting systems with LED fixtures, and implementing energy-efficient compressors and motors, among other measures.



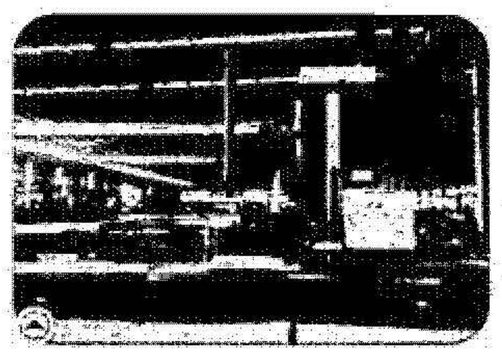
### Energy management and efficiency initiatives

- Installation of BLDC (Brushless Direct Current) motor fans at our sites and worker housing units, resulting in significant energy savings of up to 65% compared to conventional fans.
- Replaced power-consuming conventional lights with energy-efficient LED lights at all our projects, contributing to reduced energy consumption.
- Installation of solar power panels across relevant and economically viable projects, covering project sites, stores, project offices, guest houses, and worker housing, among others.
- KPIL installed 377 KWp solar panels across 37 project sites, reducing 450 tons of GHG emissions on annual basis.
- Utilisation of 2,376 solar lights in illuminating project sites, equipped with an auto-switch-off system, leading to reduced dependence on DG sets and state electricity board power.
- Installation of Metal Fumes Exhaust systems to improve air quality in CNC machining areas.
- Implementation of an Automated Painting and Driving System for

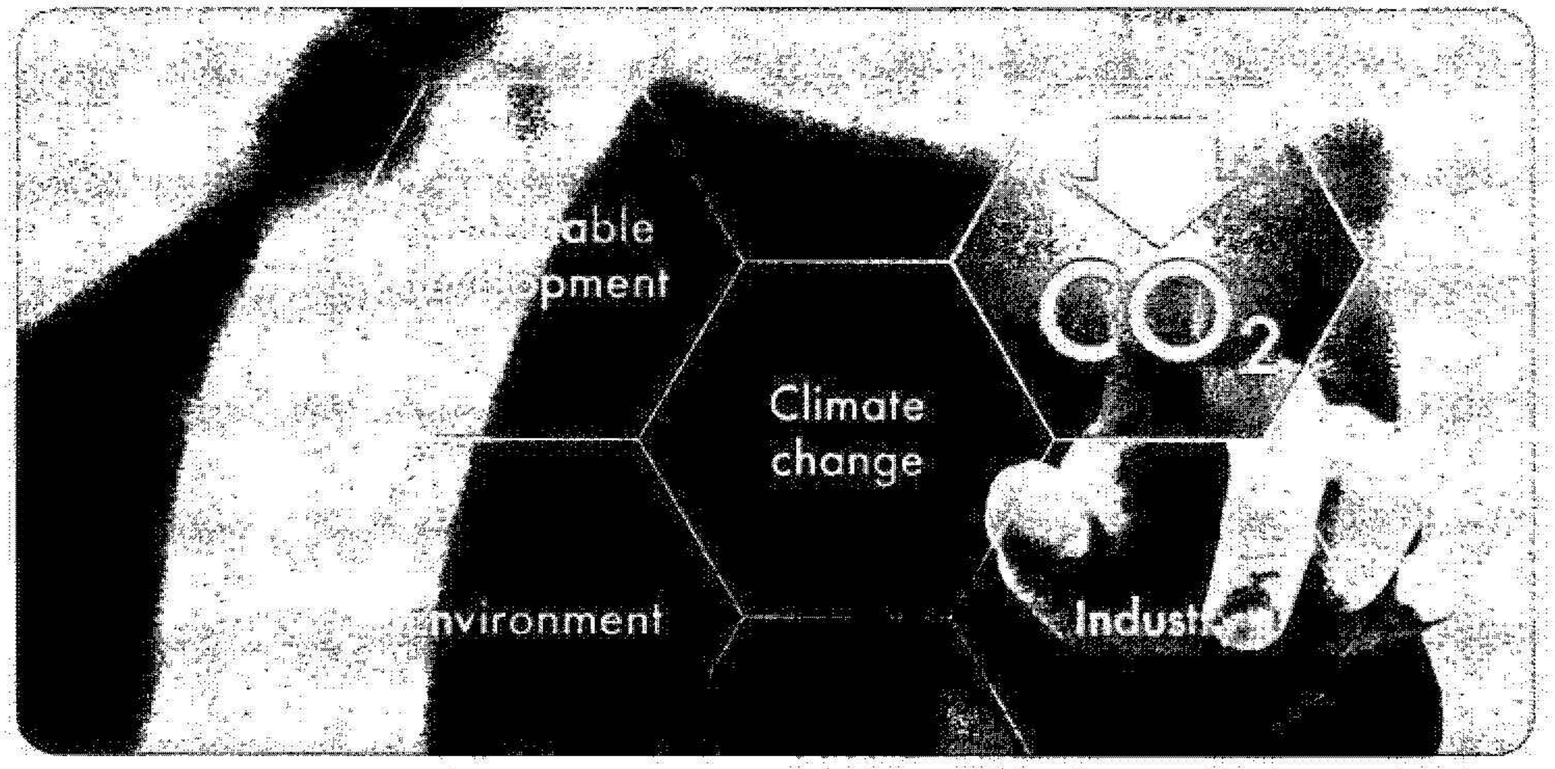
scaffolding products to reduce human presence and enhance working conditions

- Introduction of conveyors for bundle handling to streamline operations and reduce material handling.
- Ergonomic layout organisation to optimise efficiency and reduce material handling, resulting in declining bundle processing time and elimination of yield loss.
- Transition to propane from LPG gas, with bulk storage facilities established for improved safety and efficiency.

These initiatives underscore our commitment to sustainable energy management and environmental stewardship across our operations.



Conveyor for Bundle handling




## CASE STUDY

**Using Renewable Energy to Reduce Carbon Footprint**

At KPIL, we are actively harnessing renewable energy through the implementation of solar panels to reduce our reliance on non-renewable sources, marking a strategic move towards carbon emission mitigation and sustainability. By using solar power, we have significantly reduced our dependence on conventional grid electricity and fuel from DG sets, thereby contributing to a more sustainable environment. Our solar installations span various operational sites, including stores, project offices, and worker camps across diverse sectors such as Water, Infrastructure, Food and Beverage, Oil and Gas, and Transmission and Distribution. These initiatives underline our commitment to sustainable practices across multiple business domains.

Beyond the immediate financial savings, our transition to renewable energy ensures notable reductions in carbon emissions and underscores our commitment to achieve carbon neutrality.

Our approach to solar deployment is based on local conditions. In areas with unreliable power supply, we have implemented off-grid solutions, whereas locations with stable power infrastructure benefit from on-grid and hybrid systems connected to the grid, enabling us to efficiently leverage net-metering incentives.

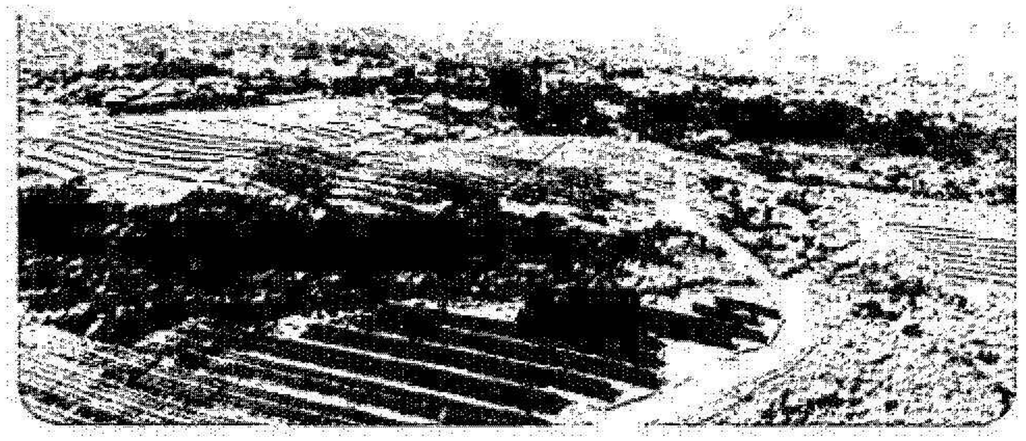
**377 KWp**
Solar Panels installed across 37 project sites





**Supplementing Solar Power with LED Lights and Portable Solar Lights to Further Reduce Carbon Footprint**

In alignment with our commitment to reducing carbon emissions, we have bolstered our solar initiatives by transitioning from traditional lighting sources (CFLs, SV lamps, etc.) to energy-efficient LED lights, optimising energy consumption and minimising environmental impact. Additionally, we are also introducing portable solar lights.



**Sustainable Energy Integration: Future Plans**

Looking ahead, we aim to scale up our renewable energy efforts by installing an additional 465 kW of solar panels in FY 2024-25. We have already identified suitable projects and commenced the necessary processes to integrate renewable energy solutions, signaling a strategic shift towards sustainability.

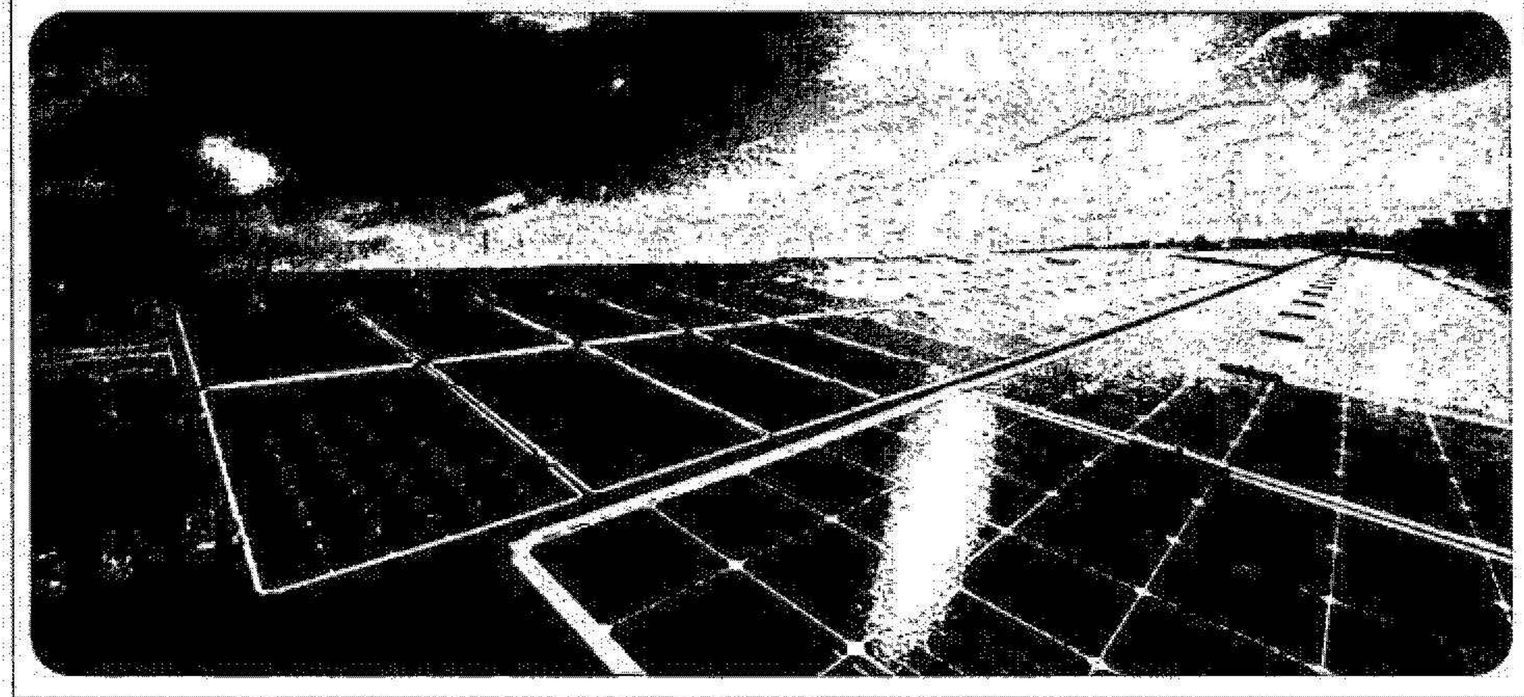
As part of our long-term strategy, each solar panel installation will be integrated into 3-4 projects throughout its lifecycle, ensuring optimal utilisation. With a comprehensive approach to sustainability, we plan to transfer these assets to new projects upon completion, maximising the lifespan of our solar systems over 15 years, considering the individual lifespans of Solar PV Panels (25 years) and inverters (10 years).

Basic infrastructure consisting of project site offices, stores, and worker camps, with reliance on grid electricity and DG sets for power supply, leading to high fuel costs and adverse environmental impacts

Installation of solar panels has yielded significant environmental and financial benefits, including a reduced emission of 330 MT of $CO_2e$ in FY 2023-24 and projected reduction of 625 MT of $CO_2e$ in FY 2024-25. This is accompanied by reduced fuel costs due to lesser usage of DG sets and decreased electricity costs through net-metering.

**Raipur Plant: 1,350 KWp solar panels at our Raipur Plant which will help us reduce ~1,050 MT $CO_2e$ in a year.**

**Gandhinagar Plant: 450 KWp solar panels at our Gandhinagar Plant**



## Climate Change and Emissions Management

Climate change presents significant physical and transition risks for businesses. Taking action on climate change offers opportunities for innovation, gaining a competitive edge, and attracting environmentally conscious customers and investors. At KPIL, we have established robust processes to systematically identify, assess, and manage climate-related risks and opportunities, and integrated into our operational strategy, based on application. This comprehensive approach covers all risk and opportunity types, providing a holistic view of the company's risk profile.

Currently, we measure and report our Scope 1 and 2 emissions. We have also identified and mapped certain emission sources for our Scope 3 emissions, occurring throughout the value chain. We are currently in the process of quantifying their impact. These assessments aid in identifying and evaluating potential environmental impacts associated with project execution and operations. Additionally, environmental impact assessments are conducted during the project selection process, prior to execution commencement, to understand our operations' environmental footprint.

We are actively monitoring and working towards reducing our GHG emissions, progressively increasing the proportion of renewables in our energy mix. We are also in the process of conducing a climate risk assessment in the upcoming year, which will help us better identify risks and capitalise on opportunities. Through initiatives such as generating solar power from rooftop PV solar cells and windmills, we have raised the share of renewable energy to 29.2% of our overall electricity usage

### GHG emission

Scope 1 emissions ($MTCO_2e$)

| | |
|---|---|
| 2022-23 | 50,494 |
| 2023-24 | 69,933 |

Scope 2 emissions ($MTCO_2e$)

| | |
|---|---|
| 2022-23 | 30,099 |
| 2023-24 | 22,523 |

Total GHG Emissions (Scope1 + Scope2)

| | |
|---|---|
| 2022-23 | 80,593 |
| 2023-24 | 92,456 |

**After Implementation**

### Year on year basis

**Reduction intiatives**

KPIL installed **2 solar units of 1800 KWp** at Gandhinagar and Raipur Plant.

However as they are operational in last quarters, the impact got minimised and will start yielding benefits in terms of reduction of about 1,500 $tCO_2e$ emission on annual basis.

**29.2% Share of Renewable Energy in Electricity Consumption**

- 749 MWh power generation through solar panels (Avoids of ~500 tons of GHG emission)
- 1,135 MWh power generation through wind mills (Avoids of ~750 tons of GHG emission)
- 11,197 MWh power generation through Biomass power plant (Avoids of ~7,800 tons of GHG emission)

## Carbon Neutral by 2040

KPIL has established a bold vision in 2023, i.e., achieving carbon neutrality by 2040. This ambitious target encompasses Scope 1 and 2 emissions across all our divisions. This ambitious target reflects our commitment to combating climate change and reducing our environmental impact.

To achieve this goal, a detailed roadmap has been meticulously crafted, aligning with the targets outlined by our leadership. The journey towards carbon neutrality commenced with a focused initiative within our Transmission and Distribution – International Division. We have embarked on a journey to implement a Carbon Neutral Approach at the international division level, beginning with a comprehensive GHG Inventorisation for Scope 1, 2, and 3 emissions across eight categories. This inventory was rigorously verified by a third party to ensure accuracy and reliability.

**Road map for Carbon Neutral**

**Renewable / Solar**
Use of Solar Power Opex / Captive Opex / PLL Capex VPPA

**Green Hydrogen**
Use of Green Hydrogen as Fuel For Construction Vehicles

**Electric Vehicle**
Use of Electric Battery based vehicles for Construction activity and Material Handling

**Energy Efficiency**
Improvement of Equipment Energy Efficiency through Audits, System Implementation and Small upgradations

**Tree Plantation**
Tree plantation and initial 3 years care on identified land



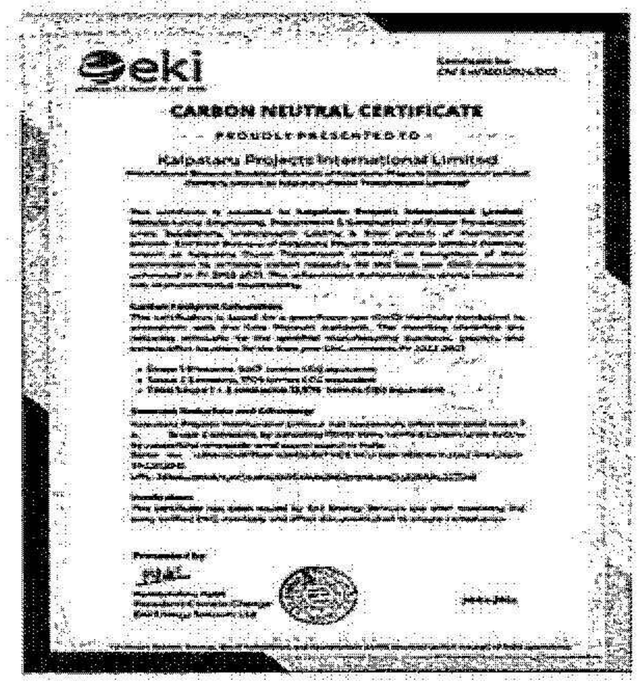


## T&D International Carbon Neutral Strategy

The strategy for our Transmission and Distribution - International Business Division encompasses various initiatives:

- Adoption of renewable energy sources available on-site
- Enhancing operational efficiency to reduce GHG emissions
- Sourcing sustainable materials for our operations
- Implementing additional initiatives aimed at reducing Scope 1 and 2 emissions

In line with our commitment to immediate action, we have begun offsetting our emissions through the purchase of carbon credits. This proactive approach has enabled us to offset Scope 1 and 2 emissions, accounting for 12,976 $tCO_2e$, through reputable carbon credit purchases.


eki
CARBON NEUTRAL CERTIFICATE
- PROUDLY PRESENTED TO -
Kalpataru Projects International Limited

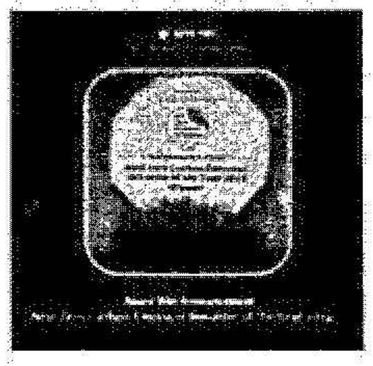
We have achieved carbon neutrality in our T&D International Electrical Business (excluding South Asia) by

- Training of Business team members on ESG Concepts/emission
- Design of format/templates to collect GHG emission data for all projects
- Total GHG emission (Scope 1, Scope 2, Scope 3) calculation at the business level covering all project sites, manufacturing plants, RO, HO, and other site offices of the business
- Independent audit of GHG emission and certification by Third Party.
- Carbon Neutrality Plan and Carbon Offset
- Carbon Neutrality Certification (Scope 1 and Scope 2)

## Awards and recognitions

KPIL received the prestigious 'Best Zero Carbon Emission Initiative of the Year 2024' award from UBS Forums for its outstanding efforts in the Transmission and Distribution Division (International). This recognition was given to KPIL for its holistic approach towards GHG Inventorisation, Carbon Neutral Strategy, and the well-defined roadmap set to achieve it.





**Raipur Plant Initiatives**

Our Raipur Plant is dedicated to advancing environmental sustainability through a multifaceted approach. We are undertaking Product Life Cycle Assessments (LCA) and participating in Greenhouse Gas (GHG) Inventory Related Special Programmes to meticulously evaluate and mitigate our environmental footprint. Additionally, we actively engage in tree planting initiatives to promote local biodiversity and offset carbon emissions. Furthermore, we have installed Metal Fumes Exhaust systems on CNC Drilling machines and implemented fume extraction systems in welding areas to mitigate air pollution and ensure a healthier workplace environment. Moreover, our commissioning of automated painting and drying systems not only minimises environmental impact but also enhances workplace safety by optimising resource utilisation and reducing waste. These initiatives underscore our unwavering dedication to environmental responsibility and our ongoing efforts to create a sustainable future.

## Water Management

Given our goal of becoming water positive by 2032, we are aligned towards our vision of sustainability and responsible resource management. This ambitious target is supported through a series of initiatives focusing on operational efficiency and community-based projects.

At our manufacturing facilities and biomass plants, we have installed a Sewage Treatment Plant (STP) with a capacity of 1,250 KLD and an Effluent Treatment Plant (ETP) to neutralise diluted acid byproducts. Recycled water from these plants is utilised for gardening, wash room, ash quenching, and dust suppression. All our manufacturing plants have adopted Zero Liquid Discharge systems, with one plant discharges treated water into government-approved water streams. Additionally, we have developed artificial ponds and implemented rainwater harvesting structures to conserve rainwater across our plants, harvesting 84,000 KL of rainwater during the year, which will impact from FY24-25.

Furthermore, we prioritise surface water over groundwater withdrawal when working on customer sites for civil construction, electrification, and pipelines under EPC contracts. Moreover, our power generation units have exclusively relied on surface water for several decades, aligning w th our strategic direction towards sustainable water management. Additionally, we are conducting water surveys, modifying storm water networks, and establishing sewage water treatment plants to further enhance our water management capabilities.

| Parameter | FY 2023-24 | FY 2022-23 | Change |
|---|---|---|---|
| Water consumption (lakhs KL) | 24.5 | 29.6 | -5.1 |
| Rainwater Harvesting (lakhs KL) | 1.46 | 1.10 | 0.36 |
| Water intensity - revenue basis – KL/ cr ₹ | 146.4 | 206.5 | -29% |
| Water intensity - employee basis - KL/ employee | 248 | 302 | -17.6% |
| % of Ground Water | 24 | 40 | -16% |

**Other initiatives undertaken at our manufacturing plants include**

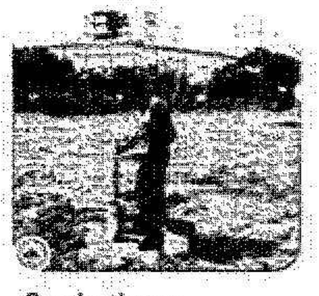
- Conducting regular water audits and implementing measures to improve cooling efficiency.
- Establishing robust maintenance mechanisms to minimise water wastage.
- Implementing rainwater and storm water harvesting systems across our manufacturing plants informed by comprehensive geographical, hydrogeological, and hydrological surveys



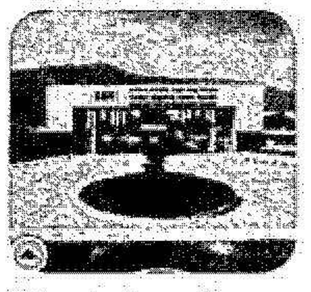
**Sewage Treatment Plants**

At our project sites, wastewater discharged from human activities such as toilets and bathrooms undergo advanced treatment using state-of-the-art techniques. Portable models of sewage treatment plants (STPs) with capacities of 5 KLD or 10 KLD will be strategically installed based on consumption levels and recycling needs. The recycled water will be utilised in construction site toilets according to specified quality standards. Our strategy involves prioritising new sites with a minimum 5 KLD capacity for labour-intensive projects, ensuring efficient wastewater management and conservation efforts.

Our efforts have resulted in significant water savings, with rainwater harvesting initiatives at plants and project sites in Assam, Andhra Pradesh, and other regions allowing us to harvest a substantial volume of water. The construction of rainwater harvesting tanks will enable us to collect approximately 7,900 kiloliters of water annually.



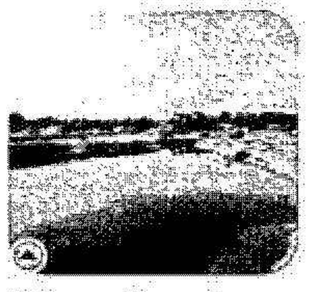
Conducting a hydrological survey at Uniara



Rainwater harvesting at IIT Tirupati



Rainwater harvesting at IIT Tirupati (Gabbion)



Rainwater Harvesting at Raipur Plant

Scan above QR code for more details

At KPIL, our commitment to sustainable water management encourages us to consistently innovate and implement measures to conserve and reuse water resources.





## Waste Management

Incorporating waste management plans into our project design process is fundamental to our approach. This ensures that considerations for waste reduction, recycling, and reuse are integrated right from the outset. Through our biomass plants, we support thousands of farmer families by implementing sustainable waste management practices, utilising crop residue as inputs. This not only provides an affordable and eco-friendly solution for agricultural waste disposal but also mitigates air pollution by eliminating the need for farmers to burn unused crop residue.

We have established specific targets for waste reduction, recycling, or reuse across most of our projects. Contractors are incentivised to recover and recycle building materials, allowing them to benefit from revenues and savings derived from materials recovery efforts. At our sites, waste segregation practices are standard procedure, facilitating proper sorting and segregation of different waste types to enable recycling and appropriate disposal. ~6,000 M3 of construction waste is reused in various construction activities and backfilling. We actively engage with recycled product producers, both as buyers and sellers, to promote the circular economy. By-products of our galvanising process, such as zinc ash and dross, are sold to secondary processors who recycle and reuse them, contributing to resource efficiency and sustainability.

**Waste type**

Hazardous waste generated (MT)

2022-23 6,470
2023-24 5,149

Non-hazardous & C&D waste generated (MT)

2022-23 17,193
2023-24* 61,383

**Hazardous Waste:**

**100% waste disposed at Approved Recyclers**

**Reuse**

Reuse of materials increased from 3.4% to 7.4% for in-house use

*Waste quantity is increased due to proper collection and accounting started in FY23-24



**Initiatives undertaken at Raipur Plant**

- We utilise in-house food and biological waste to generate compost, promoting organic farming activities and waste reduction.
- Working to reduce plant operation noise generation from 82 dB to 75 dB in the fabrication area.
- Efforts are undertaken to minimise hazardous waste generation through ETP revamping and control CNC metal fumes generation have been initiated, reflecting our dedication to resource conservation and employee well-being.
- Implementation of an automated scaffolding painting and drying system has been completed to mitigate paint fumes generation and land contamination, further reducing our environmental impact and occupational health hazards

**Initiatives undertaken at Gandhinagar Plant**

- Through ZLD we are actively reducing our reliance on fresh water by 50%, ensuring efficient water management practices.
- Our Bio Medical Waste Management programme ensures the appropriate disposal of biomedical waste in accordance with regulatory standards, achieving a 100% disposal rate as per the BMW Management Rule 2016
- Our Solid Waste Management strategy aims to quantify, reduce, and dispose of domestic solid waste effectively.
- Efforts are ongoing to enhance environmental conditions in the pickling area, including a 90% improvement in fume extraction through encapsulation, which reflects our commitment to providing a cleaner and healthier working environment for our employees and workers

We also conduct regular training and communications to enhance awareness and understanding of waste management regulations, techniques, and best practices among our employees and contractors.

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## Biodiversity Conservation

### Tree Plantation

One of the key initiatives through which we contribute to biodiversity conservation is our extensive tree plantation programme. During the year, we planted 46,000+ saplings across various sites, furthering our efforts to enhance green cover and promote ecosystem health. Till date, we have planted 1,71,306 trees which demonstrates our long-standing dedication to environmental stewardship.

Moreover, these plantations have the sequestration potential of 2,055 $tCO_2e$ per year, highlighting the significant role our tree plantation initiatives play in mitigating climate change and reducing carbon emissions.

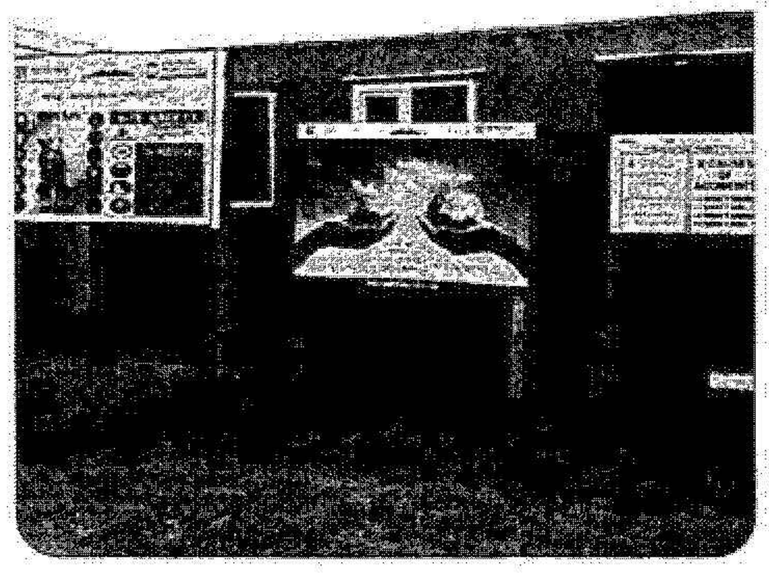
As a part of Company's CSR initiative under the thematic area of Environment, afforestation through Miyawaki technique of plantation was done in Lalitpur, Uttar Pradesh. This initiative was commenced in FY22-23 by planting 10,000 saplings of native species. Additional, 800 saplings were planted in FY23-24. This has resulted in flourishing of biodiversity in the region.

## Promoting and conserving wildlife

As a responsible organisation, we understand the vital role of biodiversity in maintaining the balance between humanity, wildlife, and the environment. Our EHS officers spearhead targeted initiatives to enlighten school children about biodiversity, environmental stewardship, and sustainable behaviours. During FY 2023-24, we conducted various initiatives to conserve and spread awareness on wildlife. These initiatives include recognising and supporting Wildlife Conservators through awards, installing water pots for birds (Parinde) to provide essential hydration, and participating in World Environment Day celebrations across all our plants and project sites.







### Way Forward

Our goal is to prudently manage natural resources while actively striving to elevate the share of renewable energy in our total energy consumption. Additionally, we are committed to raising awareness among our stakeholders about environmental issues and executing initiatives centered on conservation and restoration.

We have outlined a comprehensive approach to manage our natural resources, encompassing initiatives across energy, water, carbon emissions, renewable energy, life cycle assessment, partner assessment, water audit, and legal compliance. Key actions include implementing an Energy Management System and pursuing ISO 50001 certification for energy efficiency, setting targets for energy reduction, exploring water management techniques and rainwater harvesting, installing water recharge wells, strategising to reduce carbon emissions, expanding renewable energy resources, conducting Life Cycle Assessments, conducting water audits, and ensuring legal compliance. These efforts aim to enhance sustainability, minimise environmental impact, and promote responsible business practices throughout KPIL's operations and value chain.





## Biomass Division

Our Biomass Division stands as a beacon of sustainable growth, having efficiently expanded its operations while spearheading numerous initiatives for environmental stewardship and community empowerment. Through strategic investments in renewable power generation and robust research and development endeavours, we've positioned ourselves at the forefront of the green energy revolution.

### Our pivotal endeavours

- **Improving Energy Efficiency**

  Our renewable power generation units are always striving to produce green power sustainably. Apart from using crop residue, KPIL is aiming for excellence in Energy efficiency in terms of energy used in ancillary consumption.

- **Revisiting Preventive Maintenance Schedule**

  We have thoroughly revised and implemented our preventive maintenance schedule at both biomass plants. Recognising the critical role of preventive maintenance in ensuring equipment reliability and operational efficiency, we have revamped our maintenance protocols to optimise plants' performance and minimise downtime.

- **Review and Upload of Safe Stock Level (SSL) in SAP**

  We have conducted a comprehensive review of our Safe Stock Level (SSL) in our inventory stores, followed by seamless integration into our SAP system. This initiative is aimed at streamlining our inventory management practices, ensuring optimal stock levels to support uninterrupted and seamless operations.

- **Implementing Kaizen to enhance efficiency and sustainability**

  To enhance our operational excellence, we have successfully implemented Kaizen methodologies across our operations, which have helped us improve operational efficiency, increase cost savings, enable sustainable operations and fostering continuous improvement across initiatives.

- **Research and Development initiatives**

  In collaboration with the Lakshmi Narayan Mittal Institute of Information Technology (LNMIIT), Jaipur, we are undertaking research and development initiatives aimed at reducing suspended particulate matter (SPM) and greenhouse gas emissions from our boiler stacks. Moreover, other initiatives are underway to utilise flue gases emitted from chimneys for fuel drying, enhancing our commitment to environmental performance and sustainability.



## Energy Management Initiatives

### Diversifying energy sources

Alongside our biomass operations, we will be installing solar panels (3 MWp) at our Biomass plants. This strategic initiative aligns with our commitment to diversify our energy sources and harness sustainable alternatives and will help us in reducing 3500 $tCO_2e$ GHG emissions per year. Implementation of these solar projects is imminent, marking a significant step towards a more environmental-friendly and resilient energy portfolio.

### Increasing production efficiency of biomass plant

Previously, our biomass plants encountered challenges associated with the agricultural biomass feedstock. Issues such as excessive soil content and moisture levels often hampered the yield of the biomass plant. However, our current focus is on optimising fuel production efficiency to overcome these obstacles and maximise output.

### Energy Consumption Reduction through Water Pipeline Modification

With the help of robust analysis and innovative thinking, we have identified opportunities to optimise energy consumption by modifying our existing water pipeline infrastructure through the fabrication and installation of a new pipeline, thus achieving significant reductions in energy consumption while maintaining operational effectiveness.

### Energy Audit and Air Compressor Tuning

Comprehensive energy audits were conducted at both our Biomass sites by the Confederation of Indian Industry (CII). Significant energy-saving measures were implemented, including the fine-tuning of air compressors at Uniara Power Plant resulting in savings of 16 units of energy/ day.

**11,232 kWh**
Energy saved over 4 months

**₹ 104,000**
Cost saved per year

## Awards and recognition

Our robust commitment to EHS practices has been recognised at the Rajasthan state level, with our Padampur unit gaining the 3rd position Award in the Medium Scale Industries category. Presented by the Department of Factories & Boilers, Government of Rajasthan, this accolade reaffirms our dedication to best practices in environmental stewardship.

**State level Prize** for Safety in medium Scale Industries in Rajasthan.

We have garnered positive feedback on our initiatives. Several stakeholders, including clients and industry experts, have visited our Biomass Division plant sites i.e., Padampur and Tonk District of Rajasthan, commending our commitment to environmental sustainability. Their positive remarks and appreciation letters serve as testimony to our ongoing efforts to maintain high environmental standards and operational excellence.



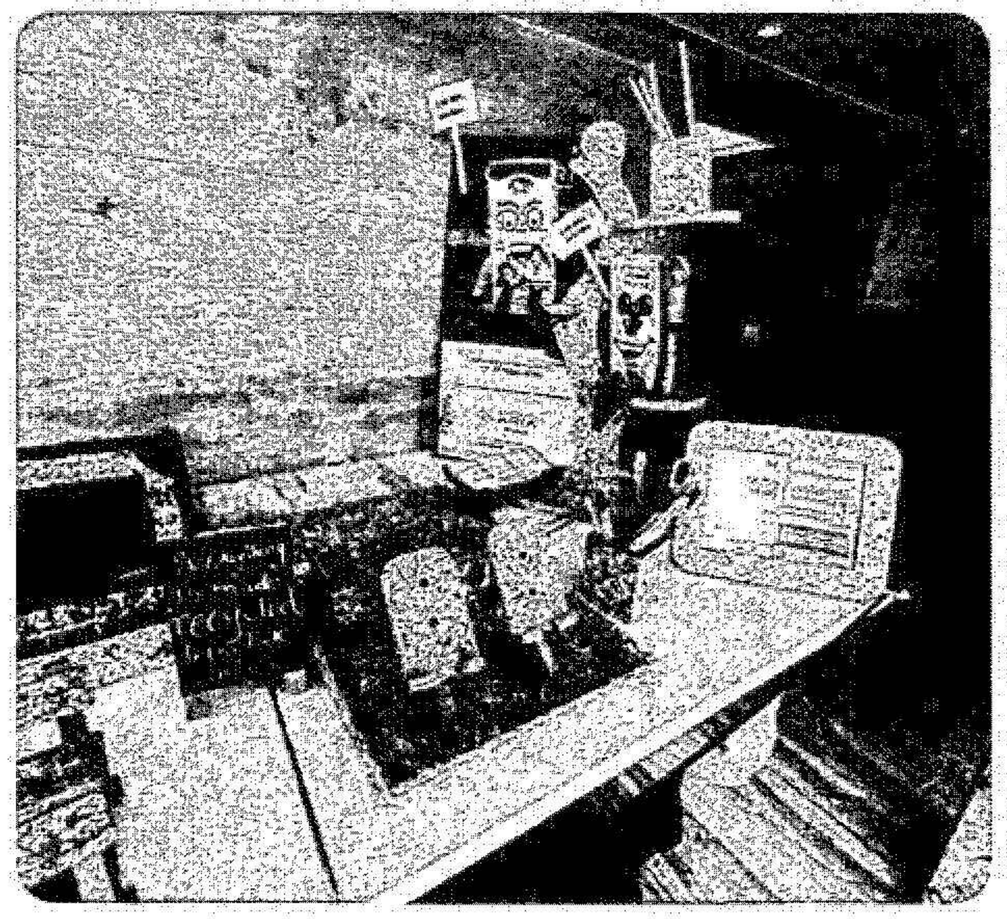


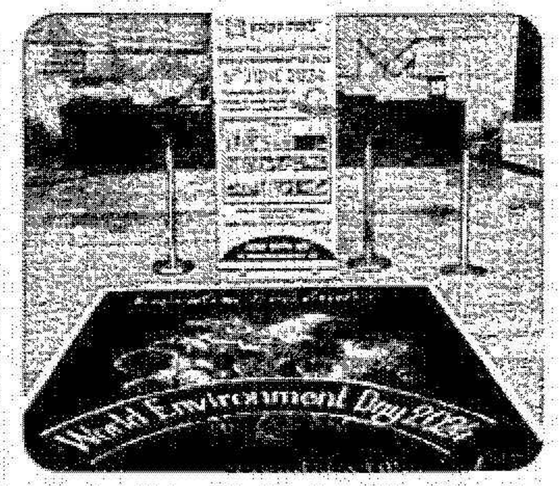


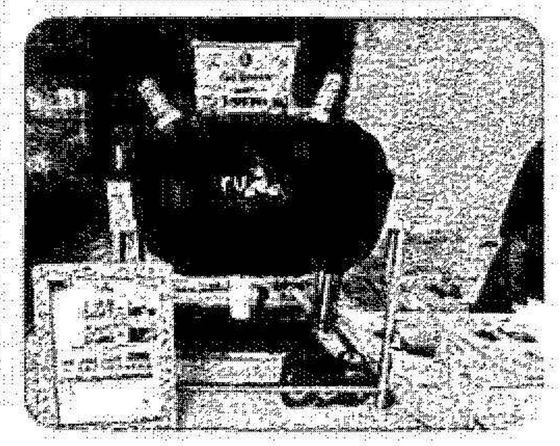








# Management Discussion and Analysis

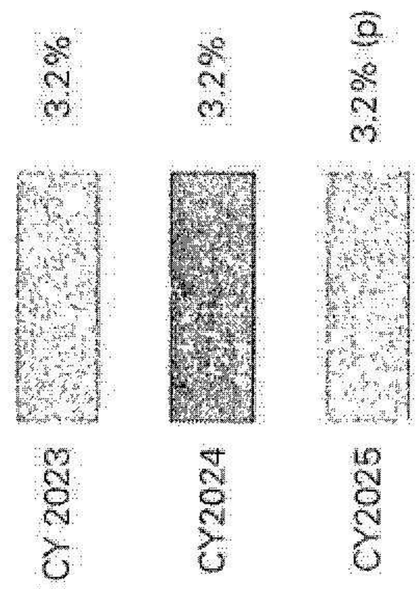
## Economy overview

### Global economy review and outlook

Global growth proved surprisingly resilient in 2023, with lower energy prices and fading supply chain pressures helping inflation to decline more quickly than anticipated. However, recent indicators point to some moderation of growth. In the absence of further adverse supply shocks, cooling demand pressures should allow headline and core inflation to fall further in most economies. By the end of 2025, inflation is projected to be back to target in most G20 countries. Geopolitical risks remain high, particularly concerning the ongoing conflict in the Middle East. Further upside surprises in inflation could lead to sharp corrections in financial asset prices, as the market may anticipate higher treasury yields for extended periods. According to the IMF, global growth is projected at 3.2% in 2024 and 3.2% in 2025.[1]

**Global GDP growth rate[2]**

**Growth (%)**

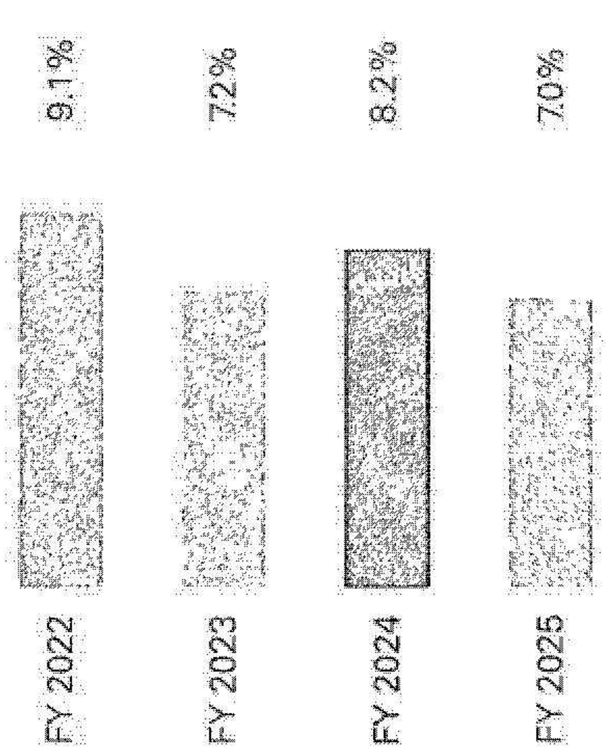



### Indian economy review and outlook

The Indian economy, bolstered by strong macro fundamentals, retained its growth momentum primarily driven by government investments in infrastructure. In Budget 2023-24, capital investment outlay for infrastructure is proposed to increase by 33% to ₹10 lakh crores (US$ 122 billion), which would be 3.3 per cent of GDP. Another key focus of the Government has been on sustainability and green growth. All these measures had a cascading effect on capacity utilization, and with the strong corporate balance sheet, the private sector is at the threshold of the resurgent investment cycle. The Indian economy underwent significant structural reforms during the period 2014-2024, boosting its macroeconomic foundations. These measures propelled India to become the fastest-growing economy among G20 nations. Further, efficient handling of the COVID-19 pandemic and recent geopolitical challenges has ensured that the Indian economy outperforms its global peers. Current estimates suggest a growth of 8.2% in 2023-24, building on the impressive 9.1% (FY22) and 7.2% (FY23) growth in the preceding two years. It is commendable that India is expected to post a GDP growth rate of over 7.0% for the third year in a row.[3]

**India GDP growth rate[4]**

**Growth (%)**




## Industry overview and opportunities

### Global Power Transmission and Distribution (T&D) Sector

The expanding global population, urbanisation and the escalating demand for electricity represent the key driving factors for the need for reliable and efficient power transmission and distribution infrastructure. Additionally, the rising shift towards cleaner and more sustainable energy sources also represents a vital factor impelling the market growth for T&D infrastructure. Consequently, several countries are investing in grid modernization efforts, which include the deployment of advanced electric power transmission and distribution systems. These upgrades enhance grid reliability, reduce losses during transmission, and enable better load management. Furthermore, the electrification of the transport and heating sectors continued to accelerate globally, with record numbers of electric vehicles and heat pumps getting sold, which in turn is promoting the development of grid infrastructure. Moreover, the growing frequency and severity of natural disasters, also call for increasing the need for resilient grid infrastructure, which, in turn, is influencing the market positively.

According to the International Energy Agency (IEA), the global electricity demand is expected to rise at a faster rate over the next three years, growing by an average of 3.4% annually through 2026.[5] In the IEA's Net Zero Emissions by 2050 Scenario, a pathway aligned with limiting global warming to 1.5 °C, electricity's

[1]IMF World Economic Outlook, April 2024

[2]https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024

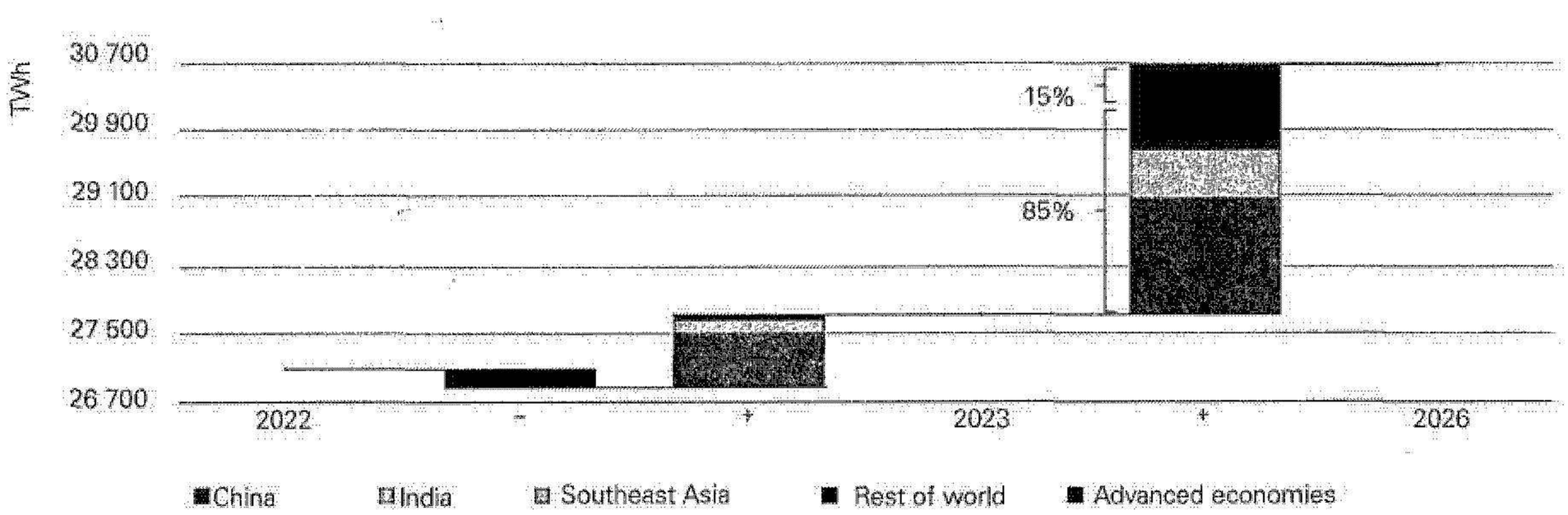
[3]Second Advance Estimates of National Income, Ministry of Statistics & Programme Implementation

[4]https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0RBIBULLETINAPRIL20244D39628B0A50466DA73AAE81CC5B42E1.PDF

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share in final energy consumption nears 30% in 2030 from 20% in 2023. To meet national climate targets, grid investment needs to nearly double by 2030 to over USD 600 billion per year. [6] The International Energy Agency assesses the need for over 80 million km of grids around the world by 2040, which is equivalent to today's entire existing global grid and estimates around 1,500 GW of advanced renewable projects waiting in grid connection queues.[7]

**Year-on-year change in electricity demand by region (2022-2026)[8]**




Note: Advanced economies grouping in this chart excludes Mexico and Turkey.

IEA. CC BY 4.0.

## Regional Focus



**India**

India's power sector is undergoing significant reforms to achieve financial stability, operational efficiency, and greater integration of renewable energy for a cleaner future. The Government of India aims to reach 500GW of non-fossil fuel-based electricity generation capacity by FY30 from an operational capacity of 181 GW as of December 2023.

To achieve this, regions with high solar and wind potential need to be connected to the Inter-State Transmission System (ISTS) for efficient power evacuation to demand centres.

The draft National Electricity Plan has envisaged 170 transmission schemes with a total estimated cost exceeding ₹ 3.13 trillion for inter-state transmission and around ₹1.61 trillion for intra-state systems during the five years from FY23 to FY27.

In terms of physical infrastructure, a total of 1,23,577 km of transmission lines and 7,22,940 MVA of transformation capacity have been targeted for addition in the FY23-FY27 period. It may be noted that the transformation capacity includes 12,000 MW of transfer capacity to be achieved with HVDC-bipole transmission infrastructure.[9]



**Latin America & Caribbean**

In the last few years, Latin American and Caribbean countries have implemented noticeable efforts to reduce their emissions. Between 2015 and 2022, the region increased its renewable capacity by 51% to reach 64% of electricity generation, mainly with hydroelectricity, solar, and wind energy. However, the pace must be accelerated given that with population and economic growth, electricity demand is projected to increase by an annual average of 2.3% from 2022 to 2050. Additionally, Latin America and the Caribbean have nearly 17 million people without access to electricity. A faster transition to clean energy could reduce energy costs and make it more accessible.[10]

The Interamerican Development Bank (IDB) has estimated that in less than 10 years (by 2030), Latin America and the Caribbean need more than USD 577 billion to close the electric power gap. Of that total, the region will need around USD 397 billion to build new generation, transmission, and distribution infrastructure, and more than USD 180 billion to replace and maintain existing assets.

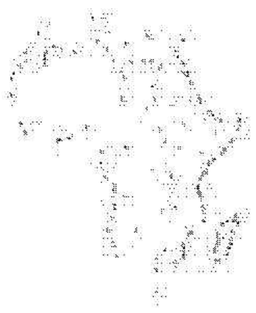
[5]International Energy Agency. Electricity Market Report 2024
[6]IEA, Electricity Grids and Secure Energy Transitions Report
[7]Electricity Grids and Secure Energy Transitions, IEA, October 2023
[8]https://iea.blob.core.windows.net/assets/6b2fd954-2017-408e-bf08-952fdd62118a/Electricity2024-Analysisandforecastto2026.pdf
[9]CEA Website
[10]IEA Latin America Energy Outlook 2023
Note: The above are indicative maps

Europe is pursuing one of the world's most ambitious climate and energy goals. The revised Renewable Energy Directive, adopted in 2023, raises the EU's binding renewable energy target for 2030 to a minimum of 42.5% up from the previous 32% target, with the aspiration to reach 45%. It means almost doubling the existing share of renewable energy in the EU.[11] To help deliver this objective, countries across Europe are placing huge emphasis on upgrading and strengthening their transmission infrastructure. Additionally, the rising electricity demand particularly from industrial & mobility, refurbishment of outdated infrastructure and greater need for cross-border transmission capacity is also leading to higher T&D spend. Consequently, an estimated investment of a whopping EUR 584 billion is required in EU transmission and distribution (T&D) grids by 2030.[12]

**Europe & Nordic**

Similarly, the road to net zero emissions in the Nordics requires the energy sector to undergo a significant transition during the next few years. With this in mind, the Nordic Transmission System Operators (TSO) plan to invest more than 25 billion euros together over the next decade. The purpose is to enable the ongoing electrification, upgrading transmission grids and integrating new renewable production facilities, especially wind power, both on land and at sea.[13]

Africa has the fastest-growing population in the world, and it is set to double by 2050 to reach more than two billion people. Meeting their needs with cost-efficient, sustainable energy sources will be vital to the continent's socioeconomic development as well as to achieving the goals of the Paris Agreement.[14]



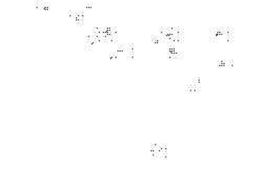
**Africa**

There is a profound need for appropriate infrastructure to be put in place to utilise and distribute this potential among the different regions to enable efficient, sustainable, and affordable access to energy across Africa. To date, Africa's T&D infrastructure remains grossly underinvested as 38 countries in sub-Saharan Africa have less than 150,000 kilometres of combined transmission lines – one of the lowest per capita rates of any region globally.

As the continent's population grows, and investors and governments focus on renewable generation increases, so too will the demand for transmission infrastructure to deliver that new power to households. Indeed, the International Energy Agency estimates that achieving near-universal access to affordable electricity in Africa by 2030 will require connecting 90 million people annually – triple the connection rate of recent years. Additionally, regional integration initiatives are fostering cross-border transmission line projects. Thus, increasing electricity demand, the shift towards renewables and regional integration are driving the expansion of the T&D infrastructure market in Africa. The annual spending on T&D infrastructure is estimated at over $45 billion over the next eight years.[15]

In the Middle East, electricity demand grows by 3.3% each year. Yet the population is increasing at a faster rate with places such as Kuwait, Oman, Qatar, Saudi Arabia and the UAE growing at 3.5% and even higher in other countries within the region such as Egypt, the most populous Arab nation, which adds nearly 2 million people annually.

To make power supply sustainable, the Middle East will need to increase efficient power generation and retire older power plants with lower efficiency levels. Additionally, the GCC countries have also accelerated investments in clean energy sources, namely renewables and nuclear, to decarbonize the power generation sector. The energy industry is witnessing the increasing popularity of solar and wind power, as a result of environmental targets and cost competitiveness.



Saudi Arabia aims to generate 50% of its electricity requirements through renewable energy sources (RES) by 2030 through the installation of 58.7GW of solar/wind capacities, in addition to 2-3GW in nuclear capacity, as stated under Vision 2030.

**Middle East**

The UAE also aims to generate 50% of its electricity from carbon-free sources by 2050, and raised its renewable energy capacity target to 14.2GW by 2030; in Abu Dhabi, the plan is to install over 7GW in solar PV by 2030, while Dubai aims to generate 27% of its energy mix from renewables by 2030, and gradually transition to 100% clean energy by 2050. Similarly, Oman has announced ambitious targets to drive lower emissions and achieve net zero by 2050, including deriving at least 30% of its power from renewable sources by 2030 (with an interim target of 16% by 2025) as stated under Oman Vision 2040 and the National Energy Strategy. Overall, based on the announced targets, the GCC is expected to become one of the largest markets globally in terms of renewable energy capacity by 2030, which would entail significant investments in developing and strengthening the T&D infrastructure to the tune of around USD 50 billion by 2030.[16]

[11]EU Commission Website
[12]EUROPEAN COMMISSION Press Release dated 28 Nov 2023
[13]SVK Website, Press Release dated 22 February 2022
[14]McKinsey Article dated 17 October 2023
[15]Africa 50 Article dated 12 Sep 2023
[16]Goldman Sachs Report on GCC Capex dated 28 November 23
Note: The above are indicative maps

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The T&D landscape in Asia reflects the region's commitment to meet its growing electricity demand while addressing sustainability and reliability concerns. As the demand for electricity increases, coupled with an increase in the electrification rate, the uptake of T&D projects is expected to grow significantly in the region. In addition, many countries have also set ambitious targets in progressing the renewable power sector in the future. Countries are expanding their capacities quickly — Vietnam recently surpassed Thailand, the Philippines and Malaysia for total installed solar capacity and met its 18.6 GW target for 2030 10 years ahead of schedule. This is leading to noticeable developments in grid planning and investment. According to the IEA World Energy Outlook 2020, Southeast Asia needs to increase investment in electricity transmission networks by USD 350 billion between 2025 and 2030 to achieve clean energy targets. This is to better integrate renewables and meet sustainability, access, and energy security goals.[17]

**Asia Oceania**

Central Asia has the potential to become a hub for a clean energy transition to meet regional energy demand, which is expected to increase by more than 30% by 2030. The region's governments also recognize the need for greater cooperation, trade, and investment. Building trust in electricity trade requires reforms to improve sector governance and transparency, strengthen the planning framework, gradually remove fossil fuel subsidies, and expand generating and grid capacity. The World Bank estimates that investments of at least USD 20 billion would be needed to expand Central Asia's renewable energy supply and modernize national and regional grids for improved trade and interconnectivity within the next 5 to 10 years.[18]

**Australia**

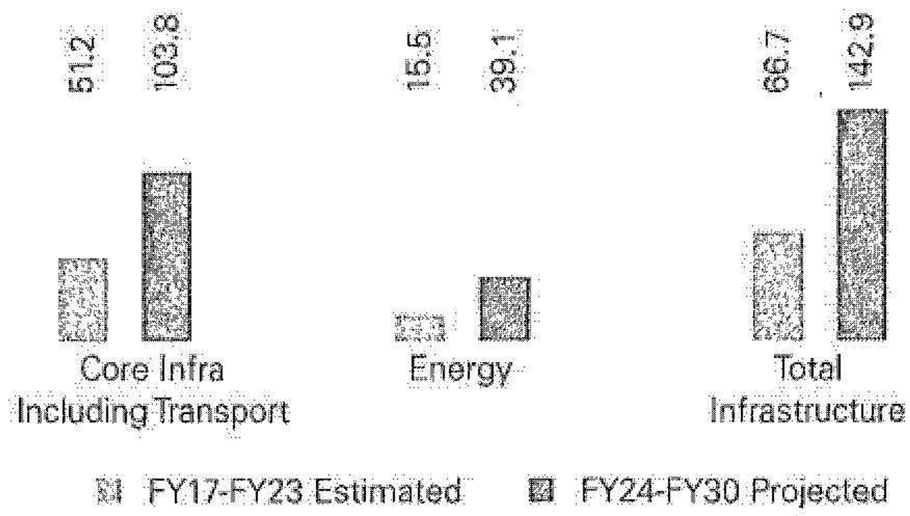
The Australian Government's has set emissions reduction targets to 43% by 2030 and net zero by 2050. In the same context, the Australian Energy Market Operator (AEMO) released the Integrated System Plan (ISP) in 2022 to ensure the supply of reliable and secure energy. The plan recommends investing around A$19 billion under the Rewiring the Nation initiative as the country will need to install more than 10,000 kms of new transmission to connect consumers with renewable energy. AEMO has forecasted a nine-fold increase in grid capacity, from 16GW of large-scale renewables in 2022 to 44GW in 2030 and 141GW by 2050 given that the country's ageing and congested electricity grid is not well equipped with the dynamics of distributed energy generation. KPIL has a well-established presence in Australia and supplies transmission towers to leading utilities. Additionally, KPIL is exploring EPC opportunities in Australia.[19]

## Infrastructure and civil construction Sector

The past few years have seen an unprecedented focus on infrastructure development in India as an increase in infrastructure investment provides a critical push to the potential growth of the economy. Thus, the infrastructure sector has been recognised as a key driver for achieving the government's goal of a USD 5 trillion economy by FY 2027-28. Recognising the need to lay a solid infrastructure foundation, the Government of India increased infrastructure spending to 3.3% of GDP for FY 2023–24, nearly trebling its expenditure in 2019–20. Capital expenditure budgeted for the current fiscal year accounts for nearly 22% of total expenditure, making it the highest in the last 15 years. One of the key initiatives undertaken has been the National Infrastructure Pipeline (NIP). It targets investments of ₹111 trillion between 2019-20 and 2024-25. Another key policy intervention is the Gati Shakti Master Plan which aims to provide integrated and multimodal connectivity infrastructure to various economic zones.

India will spend nearly ₹143 lakh crore on infrastructure in seven fiscals through 2030, more than twice the ~₹67 lakh crore spent in the previous seven years starting fiscal 2017. Of the total, ~₹36.6 lakh crore will be green investments, marking a 5x rise compared with fiscals 2017-2023.

**Infrastructure Investment in India (₹ billion)[20]**




The construction sector has been the key beneficiary of the rising infrastructure spending by the government. India's construction industry is to grow at a CAGR of 9.5%-10.0% from ₹21.8 trillion in FY23 to ₹34.4 trillion in FY28. Near-term growth will be supported by a strong government push in the form of infrastructure development projects such as the National Infrastructure Pipeline, Smart Cities Mission, Gati Shakti, UDAN, Bharatmala Pariyojana, Sagarmala and the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) etc. These government programmes aim to enhance connectivity, upgrade urban infrastructure, develop transportation networks and foster the overall construction sector of India.

[17]IEA Energy Outlook, Press Articles
[18]https://thediplomat.com/2023/03/reforms-and-investment-needed-to-power-central-asias-clean-energy-future/
[19]AEMO
[20]https://www.crisil.com/en/home/newsroom/press-releases/2023/10/indias-infrastructure-spending-to-double-to-rs-143-lakh-crore-between-fiscals-2024-and-2030-compared-with-2017-2023.html

Note: The above are indicative maps

## Growth drivers for the Construction Sector in India - Major opportunities for transport infrastructure

The transport sector has been a focus area for the government over the past years and is also expected to receive significant investments going forward. According to India Investment Grid (IIG), ongoing projects in the transport infrastructure sector are valued at ₹69 lakh crore, across stages of development. Among these, the top three sectors by value are Roads and Highways (48%), Railways (30%) and Urban Public Transport (12%).[21]

India's transportation and logistics sector is poised to grow at a compounded annual growth rate (CAGR) of around 4.5% from 2022 to 2050 under the infrastructure umbrella, which includes roads and highways, railways, ports, airports, urban public transport, and logistics parks. This growth will align with the government's targets to reform and develop the transport sector of the country, from capacity expansion of ports to building greenfield airports and expressways.

| Businesses | Plans & Outlook | Key Enabling Policy Framework |
|---|---|---|
| **Roads, Elevated Expressways, Bridges & Tunnels** | India's national highway network is expected to grow to 200,000 km by 2025.<br>As part of Bharatmala Pariyojana, a total of 27 greenfield expressways and access-controlled corridors, spanning over 9,000 km, are planned in the next five to six years. | **Bharatmala Pariyojana** |
| **Airports** | The target is to increase the total number of airports from 140 in 2022 to 220 in 2025<br>The government plans to spend ₹98,000 crore by 2025 on modernizing existing airports and constructing new ones to cope with this traffic and provide enhanced connectivity | **UDAN Scheme** |
| **Railways** | The Indian Railways is set to receive a capex push of ₹ 2.52 lakh crore for FY25, an increase of 5% YoY. The funds will be spent on building railway tracks, wagons, trains, electrification, signalling, and developing facilities at stations while focusing on safety.<br>National Rail Plan (NRP) is a roadmap to create a 'future-ready' railway system by 2030. The objective is to create capacity ahead of demand and increase the share of railways in freight operations to 45% from 27% in 2023. The Indian Railways intends to double its cargo loading to 3,000 million tonnes (mt) by 2027. It is widely understood that DFCs will play a key role in this endeavour. Three new DFC (Dedicated Freight Corridor) cover the east coast route, the north-south trail and an east-west one, covering a total length of 4,300 km, with the estimated project cost being ₹ 2,00,000 crore.<br>India is currently constructing its first HSR (High-speed rail) project linking Mumbai to Ahmedabad. Another twelve projects (7,396 km) requiring an investment of around ₹15 trillion are in various stages of planning.<br>The government is also expected to invite tenders to cover 4,000-5,000 km of railway tracks with its collision prevention system, Kavach.<br>The station redevelopment program aims to transform existing railway stations into city centres with state-of-the-art facilities. Around 400 railway stations will be redeveloped at an investment of over ₹1 trillion. | **National Rail Plan Vision -2030** |
| **Urban Transport – Metro Rail** | India's metro rail network has grown remarkably since 2014. It started from a network spread across five cities and 229 km and has grown to over 900 km across 20 cities in March 2024. Additionally, the introduction of India's first State of Art Namo Bharat train, operating on the Delhi-Meerut RRTS (Regional Rapid Transit System) corridor, further underscores the nation's commitment to enhancing regional connectivity and modernizing its transportation infrastructure.<br>Approved additional metro rail network of 1,032km will expand the reach of metro systems up to 27 cities.<br>In addition, lighter urban rail systems such as Metrolite and Metro Neo are being conceptualised and developed by many small and medium-sized cities. India is set to increase its metro network from an existing operational 851 km to a planned 1,985 km over the next five to seven years. This will take India's investment in metros to ₹6,838 billion.[22] | **Atal Mission for Rejuvenation and Urban Transformation -AMRUT** |

[21] Opportunities, India Infrastructure Grid
[22] India at 100, EY India

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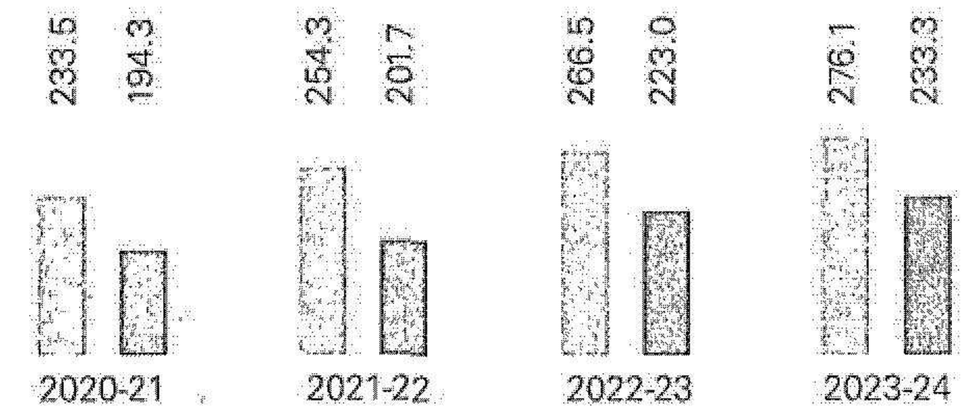
| Businesses | Plans & Outlook | Key Enabling Policy Framework |
|---|---|---|
| **Ports** | The target is to increase ports' handling capacity from 2,600 million tons per annum in FY23 to 10,000 MTPA by 2047. The government aims to operationalize 23 waterways by 2030. The capital outlay in the port industry is projected to increase at a CAGR of 4.5% from ₹10.7 billion in the Financial Year 2024 to ₹12.7 billion in the Financial Year 2028.<br>There are 802 projects worth investment of ₹5.40 trillion for implementation under the Sagarmala Programme by 2035, out of which, 220 projects worth ₹1.12 trillion have been completed and 231 projects worth ₹2.21 trillion are under implementation. In addition to the above, 351 projects worth ₹2.07 trillion are under various stages of development. | **Sagarmala**<br>**National Logistics Policy** |

### Oil and Gas Sector

Globally, a total of 228,700 km of gas transmission pipelines are in development (projects that have been proposed or are under construction) with a total price tag of US$723 billion, and 69,700 km of this length is under construction for US$193.9 billion. The amount under construction globally represents nearly an 18% increase from the end of 2022, suggesting a very active 2023 and an uptick in pipeline projects.[23]

The investment sums involved - which have been committed to projects that are underway or are planned for the near future - reveal the powerful momentum that remains in traditional fossil fuel industries even as clean energy supplies are deployed at an accelerating rate. Once completed, the pipelines and LNG import terminals will extend the use of natural gas for years to come and guarantee that fossil fuels will retain a critical role in key power systems well beyond 2030. The total length of global oil and gas trunk pipelines is 2.15 million km in 2023 and is expected to grow by more than 5% by 2027.[24]

**Production and consumption of petroleum products (MMT)[25]**



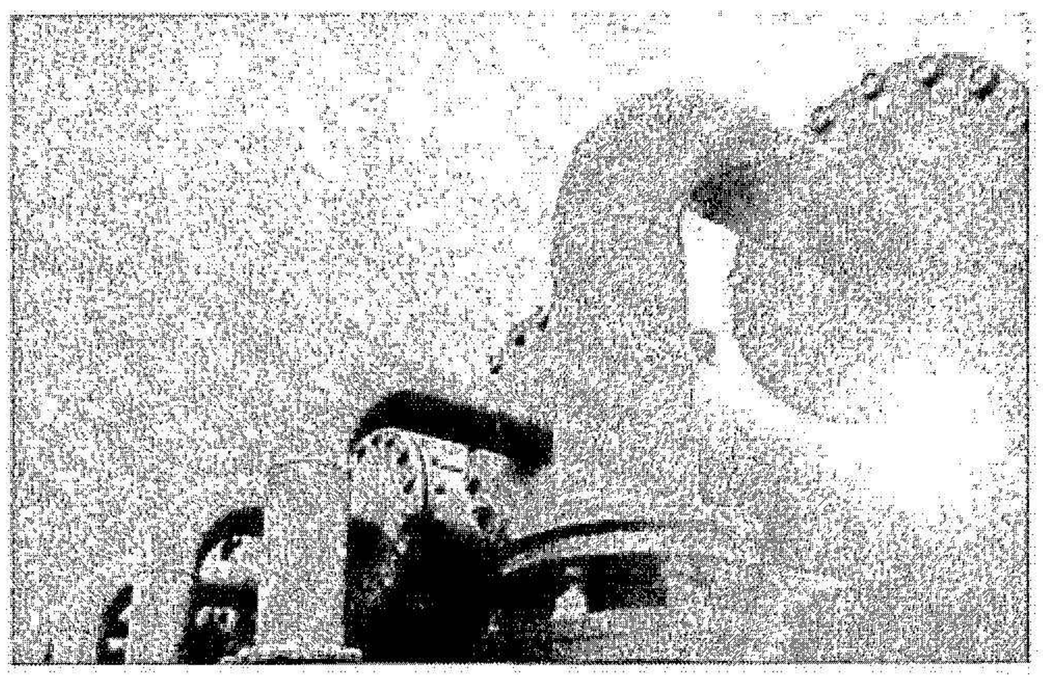

## Focus markets

### India

India is the third-largest energy and oil consumer in the world. The country's oil demand is expected to increase by 40% to 6.7 mb/day by 2030 and further to 8.3 mb/day by 2050.[26] The capital outlay for the MoPNG (Ministry of Petroleum and Natural Gas) has seen a fluctuating trend in the past five years. The actual capital outlay has increased to ₹19.1 billion in the Financial Year 2019 from ₹11.3 billion in the financial year 2018. It has further increased to ₹23.1 billion in the Financial Year 2021 from ₹5.7 billion in the Financial Year 2020. The actual capital outlay has dropped to ₹3.5 billion in the Financial Year 2022. The capital outlay in the MoPNG is projected to increase at an average CAGR of approximately 4.0% from the Financial Year 2024 to ₹415.4 billion in the Financial Year 2028. ONGC, IOC and other oil PSUs will invest about ₹1.2 lakh crore in the coming fiscal starting April 24 in oil and gas exploration, refineries, petrochemicals and laying pipelines to meet the needs of the world's fastest-growing energy-consuming nation. The investment proposed in 2024-25 is 5 per cent higher than ₹1.12 lakh crore spent by the State-owned oil firms in the fiscal year 2023-24, according to Budget 2024-25 documents.[27]

### Middle East

The Middle-East Oil and Gas Line Pipe Market size is estimated at USD 5.5 billion in 2024 and is expected to reach USD 6.73 billion by 2029, growing at a CAGR of 4.12%. Factors such as increasing development of gas infrastructure, growing investments, and increasing capacity of desalination plants are expected to drive the market.



[23]The Metro Rail Guy
[24]Global Energy Monitor, Dec 2023
[25]Modor Intelligence Article
[26]https://ppac.gov.in/
[27]Ministry of Petroleum and Natural Gas

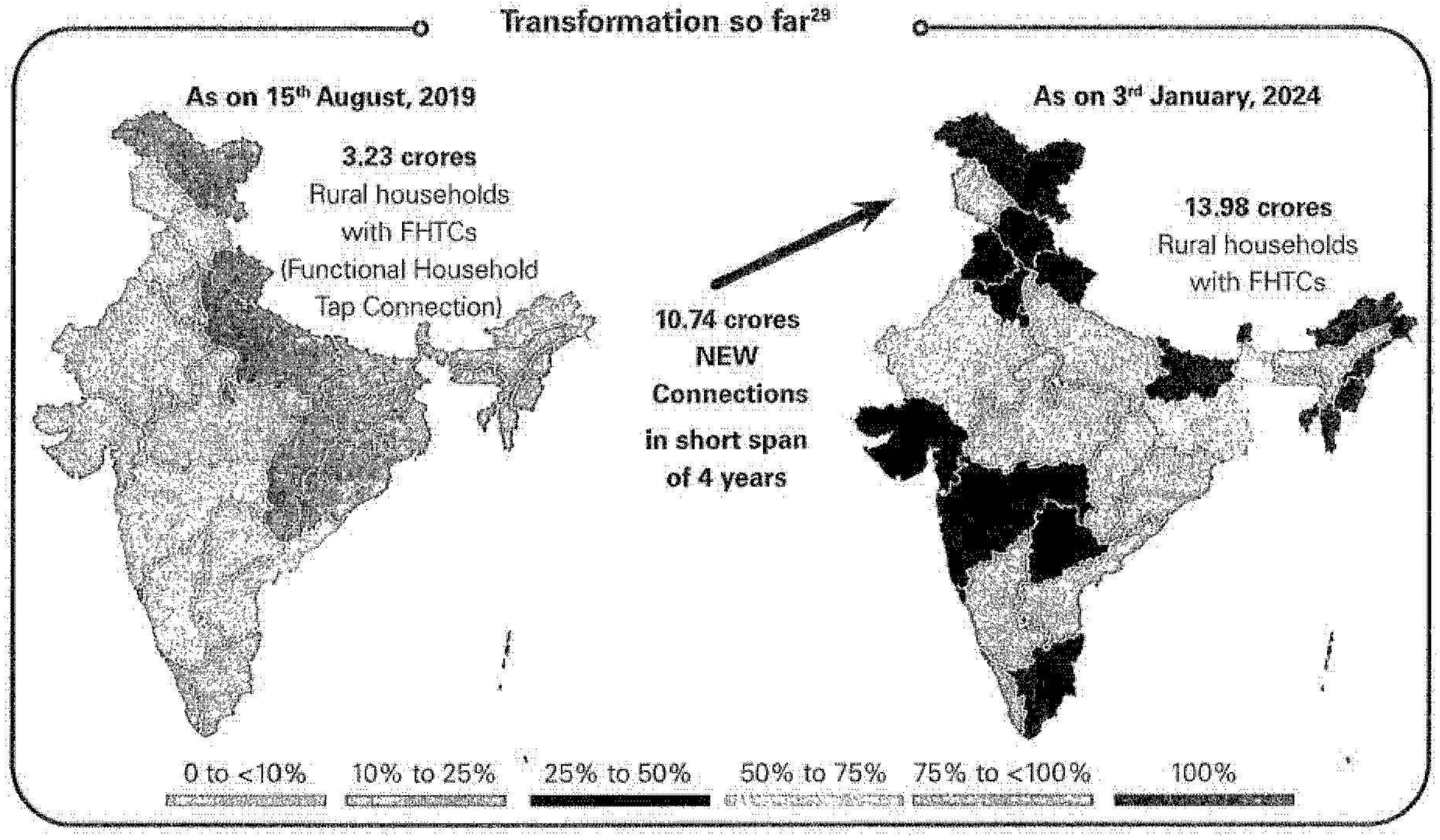
## Water Supply and Irrigation

India has made considerable progress in providing drinking water and safe sanitation to urban and rural households. As of January 2023, all households in urban areas and about 60% of rural households have access to tap water connections. The target is to ensure water tap connection to every rural household.

The budgetary allocations have more than doubled from ₹140bn in 2014 to ₹ 301bn in 2020 and then further tripling to ₹ 984bn in 2025BE. Opportunities in the water sector are diverse, encompassing initiatives such as the Jal Jeevan Mission, Namami Gange, water treatment, irrigation, and more. The emphasis on developing robust water infrastructure stems from the pressing need to address the depletion of freshwater resources. The government recognizes that treating water is not only a crucial long-term solution but also imperative in the face of a growing population.

Additionally, Irrigation projects under the Pradhan Mantri Krishi Sinchayee Yojana with an outlay of over ₹93,069 crores are also gaining traction. Similarly, capital expenditure on waste and wastewater treatment is estimated to be USD 2.3 billion between 2023 to 2027.[28]

**Transformation so far[29]**




## Buildings and factories

India has seen tremendous urban progress. It is estimated that by 2030, more than 400 million people will be living in cities in India. The demand for residential, commercial and institutional properties has been fuelled by India's expanding urban population, rising household incomes, and decade-long low loan rates, which have increased sales volume. Secondly, the government's focus on affordable housing and its vision to boost investment will have a positive impact on the construction sector. Moreover, the industry has benefited from the push for policy that has resulted in legislation like the Real Estate Regulatory Authority (RERA), the introduction of Real Estate Investment Trusts (REITs), and SWAMIH (Special Window for Completion of Construction of Affordable and Mid-Income Housing Projects). It is anticipated that increased spending on residential projects by the state and central governments will continue to boost industry growth over the forecast period in the nation.

By 2040, the real estate market will grow to ₹65,000 crores (US$ 9.30 billion) from ₹12,000 crores (US$ 1.72 billion) in 2019. The real estate sector in India is expected to reach US$ 1 trillion in market size by 2030, up from US$ 200 billion in 2021 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. The Production Linked Incentive (PLI) scheme will drive industrial capital expenditure (capex) of ₹ 3-3.5 lakh crores over its duration. It will constitute 8-10% of total capex in key industrial sectors over the next 3-4 years.

[28]HBL Article dated 4 Feb 2024

[29]https://www.fortuneindia.com/long-reads/theres-business-in-water/114012

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**Residential market at a glance[30]**

**Annual Sales (2023)**

No of Units
**271,818**

Growth percentage (2023 vs 2022)
**26%**

**New launches (2023)**

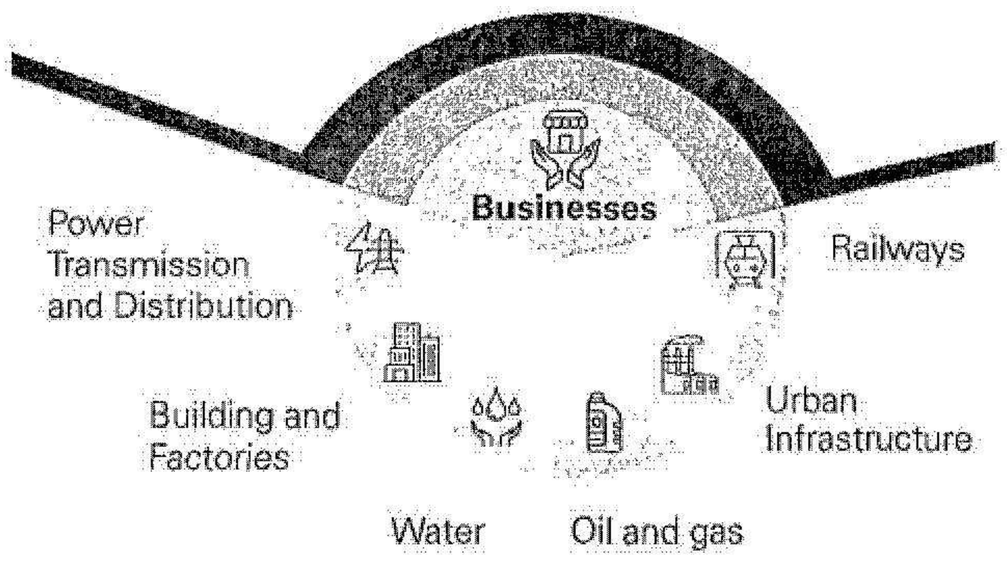
No of Units
**294,332**

Growth percentage (2023 vs 2022)
**19%**

The Indian data centre sector is currently in a dynamic phase, marked by impressive growth and substantial government support. The India data centre construction market was valued at USD 1.52 billion in 2022 and is expected to reach USD 3.46 billion by 2028, growing at a CAGR of 14.76% during the forecast period. India is the fastest-growing country, with increased investments from global and local data centre operators worldwide.[31] With the construction of additional data centres, local data centre providers in each state are also increasing their presence, thus boosting the growth of the Indian data centre construction market. This provides significant impetus for the growth of the construction of residential, commercial and institutional buildings in India.

## Company overview

KPIL is one of the largest specialised engineering, procurement and construction (EPC) companies with extensive global footprints that are well-diversified and high-growth businesses. The unified entity enhances the foundational EPC business, presenting a comprehensive range of services across diverse sectors such as Power Transmission and Distribution (T&D), Buildings and Factories (B&F), Water, Railways, Oil & Gas and Urban Infrastructure. This consolidated business will wield substantial influence with a notable presence, currently executing over 250 projects across more than 30 countries.




## Financial highlights

**Standalone & Consolidated key figures**

(₹ in cr)

| Particulars | Standalone | | | Consolidated | | |
|---|---|---|---|---|---|---|
| | FY2022-23 | FY2023-24 | % Change | FY2022-23 | FY2023-24 | % Change |
| Revenue | 14,337 | 16,760 | +17% | 16,361 | 19,626 | +20% |
| Core EBITDA | 1,278* | 1,366 | +7% | 1,481 | 1,628 | +10% |
| Core EBITDA Margin (%) | 8.1% | 8.2% | | 8.4% | 8.3% | |
| PAT | 532 | 533 | +0.2% | 435 | 516 | +19% |
| PAT Margin (%) | 3.7% | 3.2% | | 2.7% | 2.6% | |

*Core EBIDTA includes the amount of ₹109 crores shown as an exceptional item with respect of an award obtained by an erstwhile power transmission subsidiary and is contractually receivable by the company.

**Key financial ratios**

*There is no significant change (i.e. change of 25% or more as compared to the FY 2022-23) in any key financial ratios.*

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY2023-24 | FY2022-23 | FY2023-24 | FY2022-23 |
| Debtor's Turnover (No. of Days) | 116 | 120 | 106 | 114 |
| Inventory Turnover (No. of Days) | 59 | 57 | 57 | 61 |
| Interest Service Coverage Ratio | 3.68 | 3.83 | 2.91 | 2.79 |
| Current Ratio | 1.27 | 1.27 | 1.24 | 1.25 |
| Debt Equity Ratio | 0.57 | 0.55 | 0.76 | 0.78 |
| Operating Profit Margin (%) | 8.2 | 8.1 | 8.3 | 8.4 |
| Net Profit Margin (%) | 3.2 | 3.7 | 2.6 | 2.7 |
| RONW (%) | 9.3 | 10.0 | 10.0 | 9.2 |

*Note: The decrease in standalone RONW is mainly due to lower growth in profitability compared to net worth. Conversely, the increase in consolidated RONW is driven by the improved performance of subsidiaries.*

[30]https://www.jll.co.in/content/dam/jll-com/documents/pdf/research/apac/india/jll-q4-2023-residential-market-update-final.pdf

[31]Business wire

## Business highlights and reviews

KPIL demonstrated exceptional performance in FY2023-24, achieving its highest ever revenue and EBITDA. The Company's revenue surged by 20% year-over-year (YoY) to ₹19,626 crores, driven by robust execution and a diversified business mix. EBITDA also reached a record high of ₹1,628 crores, marking a 19% increase YoY with an EBITDA margin of 8.3%. Profit before tax (PBT) grew by 27% to ₹701 crores and profit after tax (PAT) rose by 19% to ₹516 crores. KPIL's order book expanded significantly to ₹58,415 crores, bolstered by strategic order wins in sectors such as Oil & Gas, Transmission and Distribution (T&D) and Civil Construction. This growth is reflected in the ₹30,022 crores of new orders secured during the year, a 19% increase compared to FY2022-23.

The Company also made substantial progress in improving its financial health. Efficient working capital management limited the net debt increase to just ₹14 crore, despite a 20% rise in revenue, bringing the total net debt to ₹2,591 crore. The net debt in the core EPC business stood at ₹2,017 crores as of March 31, 2024. KPIL's strategic focus on high-growth sectors such as urban infrastructure and renewable energy is expected to drive future growth.

## Operational highlights

### Manufacturing updates

During FY2023-24, KPIL made significant strides in its manufacturing capabilities. The Company continued to enhance its production facilities and, focusing on efficiency to meet the growing demand across various sectors. Notably, KPIL's manufacturing plant in Raipur, Chhattisgarh played a crucial role in supporting the Company's robust project execution. The Company invested in upgrading its equipment and technology to maintain its competitive edge in the market.

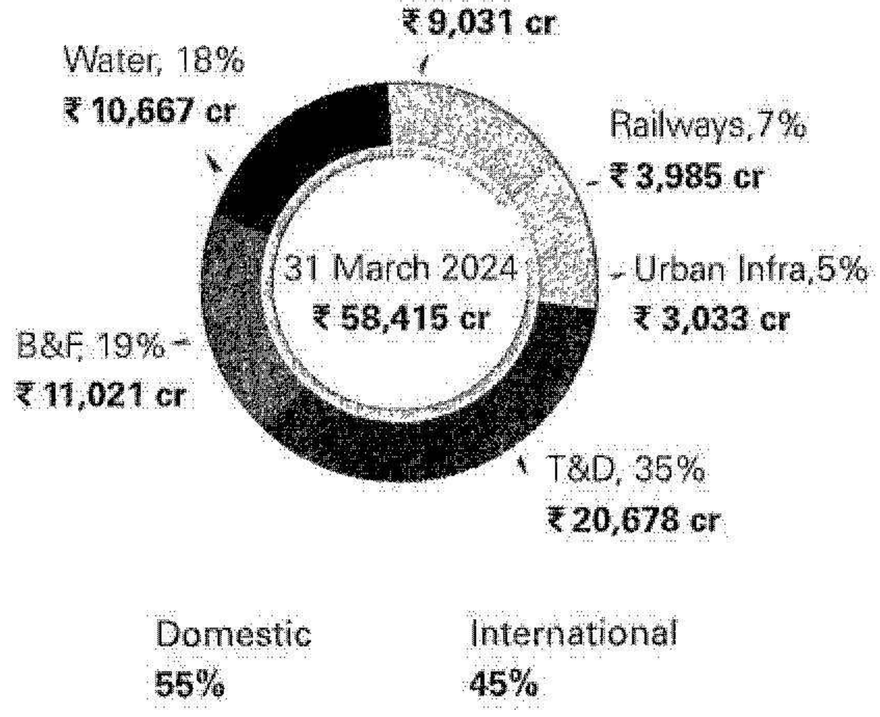
### Order book

KPIL achieved a new all-time high order book value of ₹58,415 crores as of March 31, 2024. The Company secured orders worth ₹30,022 crores in FY24. This impressive growth was driven by large and strategic order wins across various sectors, including Oil & Gas projects in the Middle East, Power Transmission and Distribution (T&D), underground metro rail tunnelling, airports, data centres, industrial, and residential townships.

### Geographical updates

KPIL continued to expand its global footprint, with operations spanning 73 countries over 250 live projects in more than 30 countries as of March 31, 2024. The Company's international order book is currently over ₹26,300 crore, highlighting its successful expansion and diversification strategy. International subsidiaries such as LMG (Sweden) and Fasttel (Brazil), significantly contributed to this global presence. LMG (Sweden) achieved a revenue of ₹1,028 crores for FY24, with an order book of ₹2,062 crores, strengthening its presence with new clients and improved capabilities in the substation business. Fasttel recorded a revenue of ₹ 696 crores for FY24, with an order book of ₹1,479 crores. KPIL's strategic focus on expanding its regional transmission networks in Africa, SAARC and CIS countries supplemented domestic demand and presented substantial business opportunities.

Business-wise order book




## Business-wise performance

### Consolidated business revenue

| Businesses | FY23 | FY24 | Growth |
|---|---|---|---|
| T&D * | 6,016 | 7,827 | +30% |
| B&F | 4,136 | 4,790 | +16% |
| Water | 2,622 | 3,511 | +34% |
| Oil & Gas | 985 | 822 | -17% |
| Railways | 1,652 | 1,425 | -14% |
| Urban Infra | 403 | 705 | +75% |
| **Total Core business** | **15,814** | **19,080** | **+21%** |
| Others# | 547 | 546 | -0.3% |
| **Total Consolidated Revenue** | **16,361** | **19,626** | **+20%** |

* T&D business includes LMG (Sweden), Fasttel (Brazil) & Other International Subsidiaries / JVs

# Others mainly includes Shree Shubham Logistics (SSL), Road SPVs, Saicharan (Indore Real Estate) etc.

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### Power Transmission and Distribution (T&D)

The T&D sector witnessed a significant revenue growth of 30% year-over-year (YoY), reaching ₹7,827 crores in FY24, up from ₹6,016 crores in FY23. This growth was driven by robust execution and a healthy order book. There was a substantial increase in T&D capital expenditure in regions such as India, Europe, Africa, Latin America, and the CIS. India's T&D order inflows increased by 48% YoY to ₹4,344 crores, with an additional L1 position of approximately ₹1,350 crores. The subsidiary LMG (Sweden) achieved revenue of ₹1,028 crores for FY24 with an order book of ₹2,062 crores, strengthening its presence with the addition of new clients and improved capabilities in the substation business. Fasttel (Brazil) recorded a revenue of ₹696 crores for FY24 with an order book of ₹1,479 crores.

### Building & Factories (B&F)

The B&F business experienced revenue growth of 16% YoY, reaching ₹4,790 crores in FY24, up from ₹4,136 crores in FY23. The growth was led by robust project progress and a healthy project mix. The portfolio was strengthened with large-size B&F projects, data centres and industrial plants. This business added new clients and strengthened its portfolio in design-built projects, securing an L1 position in an integrated airport EPC project in India.

### Water

KPIL's Water sector experienced substantial growth, with revenue increasing by 34% year-on-year to ₹3,511 crore. This growth was primarily driven by the successful execution of various water supply projects. The Company's capabilities in this sector have been bolstered by its involvement in key initiatives such as the Jal Jeevan Mission and other significant water treatment and supply projects.

### Oil & Gas

The Oil & Gas sector faced challenges during FY2023-24, resulting in a 17% decline in revenue to ₹822 crore. The reduction in revenue was largely due to decreased business activity within India. Despite these challenges, KPIL made significant breakthroughs in the Middle East Oil & Gas market, which is expected to bolster future performance in this business.

### Railways

The Railways business saw a revenue decline of 14% YoY, with revenue decreasing to ₹1,425 crores in FY24 from ₹1,652 crores in FY23. The decline was due to a focus on project closure and lower ordering.

### Urban Infra

The Urban Infra sector experienced a significant revenue growth of 75% YoY, reaching ₹705 crores in FY24, up from ₹403 crores in FY23. We have made substantial progress in our Urban Infra business by securing two underground metro rail tunnel projects.

### Environmental Health and Safety (EHS)

As part of its commitment to promote a safe working environment, the Company has established a world-class practice for reinforcing and maintaining the highest level of EHS standards with a dedicated approach and strong demonstrative commitment across all the verticals. It has incorporated international EHS practices in business operations with proactive EHS monitoring for the prevention of OSH injuries and illness to protect its employees, contractors, visitors and others in and around the projects.

It has set the benchmark of its EOHS performance by adopting the best practices with a commitment to comply with the applicable statutory obligations and laws of the land. It has also adopted the digitalization in EHS systems to track, manage, analyse and report the EHS performance data. Additionally, it has designed a system to capture unsafe work practices through Artificial intelligence techniques.

### ZERO harm

The Company has been consistently encouraging its employees to practice and integrate EHS at all levels of the organisation and motivate them to adopt it into their business operations to achieve the organisational goal of **'ZERO harm'** with a focused approach to EHS policies, procedures, guidelines, robust review mechanism, engineering control mechanism, administrative EHS processes and various training tools.

**ISO 45001:2018**

**ISO 14001: 2015**



**EHS excellence journey**

**EHS Business Excellence**

| Management Control | Monitoring and Measurement | Training and Development |
|---|---|---|
| • World-class user-friendly EHS operational control procedure for a safe work system<br>• Integration of EHS in the planning and designing stage of a new project<br>• Reporting and in-depth incident investigation guideline<br>• EHS reward and recognition policy to encourage and appreciate the performance of employees<br>• EHS enforcement and work stoppage guideline<br>• EHS Journal – to handle the emergency crisis and also to establish collaborative efforts towards positive EHS culture and spread awareness across the organization<br>• Innovative engineering control mechanism. | • 3-layer EHS audit to understand the common challenges and expectations on existing systems<br>• Quantitative rapid EHS performance assessment for monitoring and measuring EHS performance.<br>• Formation of EHS steering committee at business/site levels<br>• EHS walk round of project site by business unit head/project site line management team around the sites to resolve the EHS issues<br>• Fortnightly, EHS review with business unit heads or regional officer EHS heads<br>• Customer feedback form for measuring the satisfaction levels for EHS standard | • State-of-the-art learning centre to develop the aspirants who could translate their potential power of knowledge into actual work practice.<br>• Site-based safety park for live demonstration and hands-on experience<br>• EHS LMS module on different topics for effective learning<br>• Virtual Reality training for an immersive learning experience that recreates real-life settings.<br>• EHS induction movie of live working practices<br>• Weekly EHS webinar for all levels of employees.<br>• Job-specific training/induction and refresher training<br>• Leadership EHS workshop<br>• Workshop for leadership team<br>• Emergency evacuation drill |

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### EHS excellence awards

The Company has been honoured with the most prestigious and well-deserving awards during the year, some of which are elaborated hereunder:

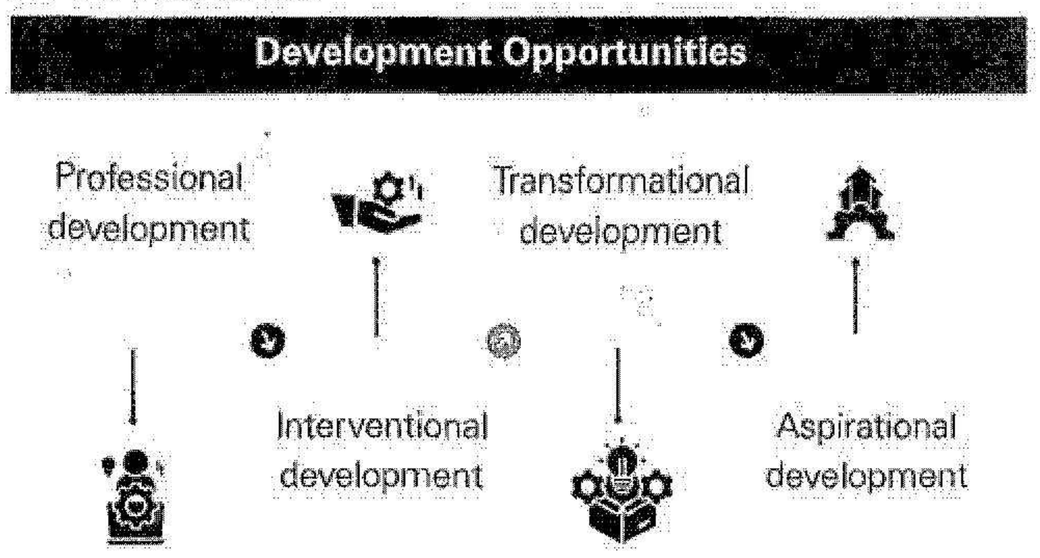
| Sr. No. | Institute | Business Unit | Name of Project Site | Award Category |
|---|---|---|---|---|
| 1 | British Safety Council Award | SIO | Birla Tisya - Bangalore | Merit Category |
| 2 | British Safety Council Award | SIO | Infosys Software Park - Hyderabad | Winner Category |
| 3 | British Safety Council Award | SIO | Hanimaadhoo International Airport - Maldives | Winner Category |
| 4 | British Safety Council Award | SIO | Techno Data Centre - Chennai | Winner Category |
| 5 | RoSPA Award | TLI | WO-397 Kalpataru IBN Omairah Company Ltd, Saudi Project Site | Silver Category |
| 6 | RoSPA Award | TLI | WO350 Tajikistan Transmission Line Project Project Site | Silver Category |
| 7 | RoSPA Award | RAILWAY | Bhopal Metro Rail Project (Bh-08), Bhopal | Gold category |
| 8 | RoSPA Award | NIO | DLF- Economically weaker Section, Delhi (DEWD) | Silver Category |
| 9 | RoSPA Award | WATER | Jharkhand Shikaripada Dumka Rural Water Supply Project (JSDR) | Silver Category |
| 10 | RoSPA Award | SIO | DLF Infor park developers, Chennai | Gold Award |
| 11 | RoSPA Award | SIO | KDPL Mail Project | Gold Award |
| 12 | The Director of Factory's and Boilers Govt of Karnataka on Best Safety practices | SIO | Birla Tisya Residential Project, Agrahara Dharsarhalli, Bengaluru | First Place |
| 13 | | | Brigade Eldorado, Devanahalli, Bengaluru | Second Place |
| 14 | 15th CIDC Vishwakarma Awards 2024 | WATER | Jal Jeevan Mission Pratapgarh (JJMP), Pratapgarh | CIDC - Trophy + Certificate |
| 15 | 15th CIDC Vishwakarma Awards 2024 | WATER | Jal Jeevan Mission Lalitpur (MSWS), Lalitpur | Certificate |
| 16 | 15th CIDC Vishwakarma Awards 2024 | WATER | 7026-OSGR Odisha Sundargarh Rural Water Supply Project, Sundargarh | Certificate |
| 17 | 15th CIDC Vishwakarma Awards 2024 | WATER | JSDR – 7033, Munger | Certificate |
| 18 | 15th CIDC Vishwakarma Awards 2024 | WATER | Odisha Cuttack District Rural Water Supply Project (OCDR)-7025 Athagarh, Cuttack | Certificate |
| 19 | 15th CIDC Vishwakarma Awards 2024 | SIO | Bagmane Capital - BARM - TROY & APOLLO Project, Bengaluru | CIDC - Trophy + Certificate |
| 20 | 15th CIDC Vishwakarma Awards 2024 | SIO | Hulhumale Social Housing Project, Maldives | CIDC - Trophy + Certificate |
| 21 | 15th CIDC Vishwakarma Awards 2024 | SIO | Redevelopment of Hanimaadhoo International Airport (HIAM), Maldives | CIDC - Trophy + Certificate |
| 22 | 15th CIDC Vishwakarma Awards 2024 | SIO | DLFT- Downtown, Chennai | CIDC - Medal + Certificate |
| 23 | 15th CIDC Vishwakarma Awards 2024 | SIO | Techno Data Centre Project, Chennai | CIDC - Medal + Certificate |
| 24 | 15th CIDC Vishwakarma Awards 2024 | SIO | Isp1, Infosys Sez, Pocharam; Ghatkesar Mandal, Hyderabad | CIDC - Medal + Certificate |
| 25 | 15th CIDC Vishwakarma Awards 2024 | SIO | PBEL City, Hyderabad | Certificate |
| 26 | 15th CIDC Vishwakarma Awards 2024 | RAILWAY | Bhopal Metro Rail Project (Bh-08), Bhopal | CIDC - Medal+ Certificate |

## Human resource

KPIL values its employees as the cornerstone of its success. The Company is committed to equipping them with the necessary tools, resources and support to thrive in a competitive environment. Through various initiatives, it cultivates a culture of continuous learning and development, while also promoting diversity and inclusion. Efforts to attract, retain, and develop top talent have resulted in a strong talent pipeline, driving the Company's growth and success. The Company has a talented and experience employees strength of 8,441 as of 31st March 2024.

### Learning and development

The Company is committed to fostering a workplace culture that prioritises continuous learning and personal growth. Recognising the significance of investing in employee development, it has taken measures to improve the frequency and quality of learning and development opportunities. To accomplish this objective, it has established a comprehensive Learning and Organizational Development (L&OD) framework, targeting four key strategic areas.




### Training sessions for employees and workers

KPIL's commitment to employee development is unwavering, as reflected in its comprehensive training programmes. The focus is on enhancing functional, technical, management and leadership skills to ensure the workforce is equipped to excel and innovate. Through targeted training initiatives, KPIL fosters a culture of continuous learning and professional growth.

#### Functional training

Functional training at KPIL enhances job-specific skills and knowledge, crucial for project management. The shift to integrated project management is supported by the project management certification with S P Jain School of Global Management, covering design thinking, crisis leadership, and budget management. Virtual series with JK Technosoft targets key performers in project management, risk management and strategic cost management.

#### Technical training

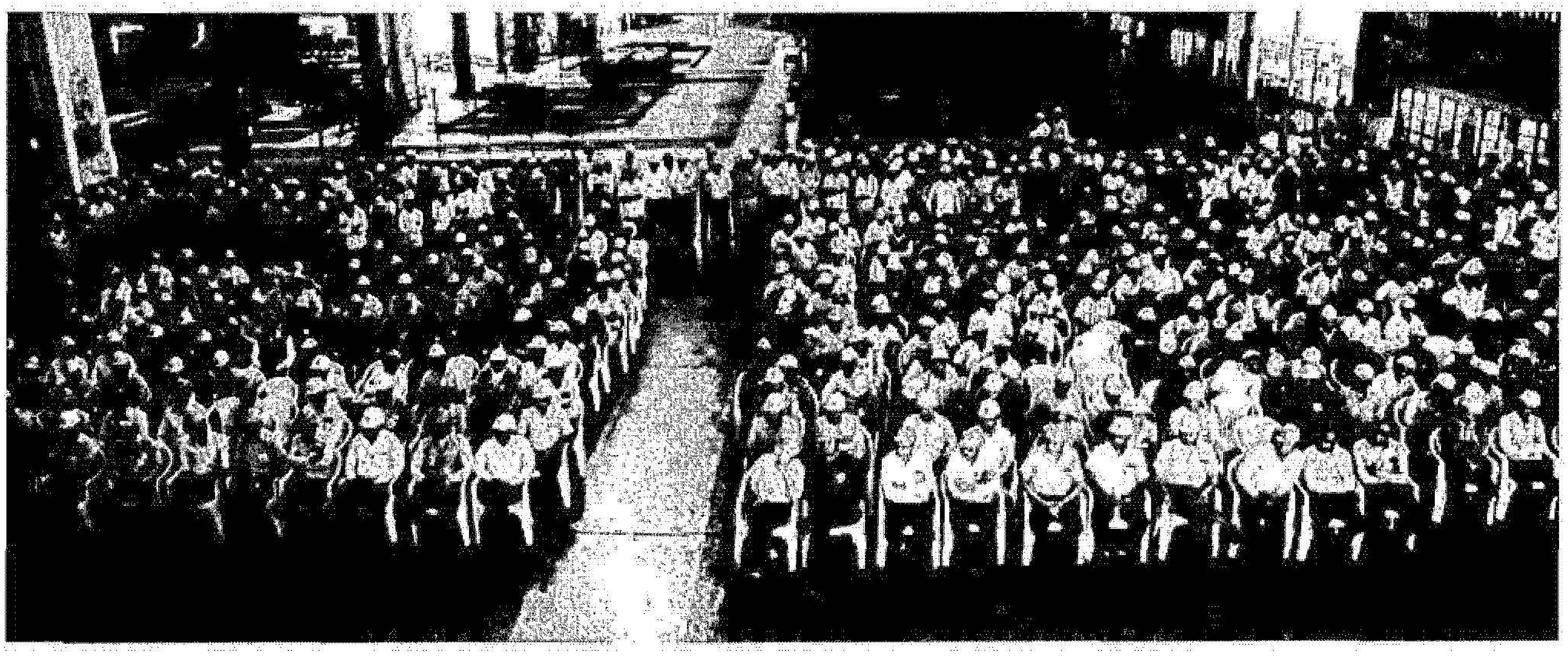
Technical training at KPIL ensures workforce development through on-the-job practical skills, a custom Learning Management System with technical modules and assessments and external certification programmes. This approach helps employees gain hands-on experience, reinforce learning outcomes and stay updated with industry standards, fostering a culture of continuous technical improvement.

#### Management training

Management training at KPIL equips employees with skills for leading teams and projects. Programmes cover strategic planning, stakeholder engagement, resource allocation and team leadership. These comprehensive programmes prepare employees to handle project dynamics, ensuring KPIL's leaders can drive organisational success and innovation.

#### Leadership training

Leadership training at KPIL identifies and develops individuals with high leadership potential through a three-tiered approach, including Elevate, LEAP and the Senior Leadership Development Programme (SLDP). Partnerships with institutions like Development Dimension International and the Indian Institute of Management, Ahmedabad, enhance leadership skills through classroom sessions, peer interaction and self-paced learning.



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### Diversity and inclusion

The Company operates globally and it is dedicated to fostering diversity of demography, gender and age within the organisation. It takes pride in the fact that it has people from different nationalities representing its workforce.

The Company is committed to increasing the representation of women in our workforce, with a current representation of 3.2%. It is constantly increasing woman's representation in senior leadership positions and aims to further enhance their representation in such roles. Its initiatives, including cross-functional exposure and grooming programmes, are dedicated to empowering women to exceed their full potential. Going forward, it aims to increase the representation of women in the workforce to 5% by FY 2025.

**1:1**

Gender pay ratio across all levels

### Employee engagement, wellness and recognition

The Company prioritises the well-being and togetherness of its workforce, which it fondly refers to as the 'Kalp-Parivar' or KPIL family. It upholds values of business ethics, customer centricity, pride, quality, respect, and teamwork and strives to create an employee-friendly environment.

It regularly reviews policies to ensure they align with the best interests of its employees. Through initiatives like KALPA GAURAV, Employee Bills of Right (EBR), PARICHAY, MAGIC, KALPOTSAV AROGYAM, and recognising bright students of employee children, alongside school fee reimbursement, it aims to capture the 'Hearts and Minds' of its people.

### Rewards and recognition

The Company as one integrated Kalpataru Parivar is committed to values and recognises its people's hard work and dedication through multiple rewards and recognition initiatives.

The tenure-based recognition programme includes the following milestones:

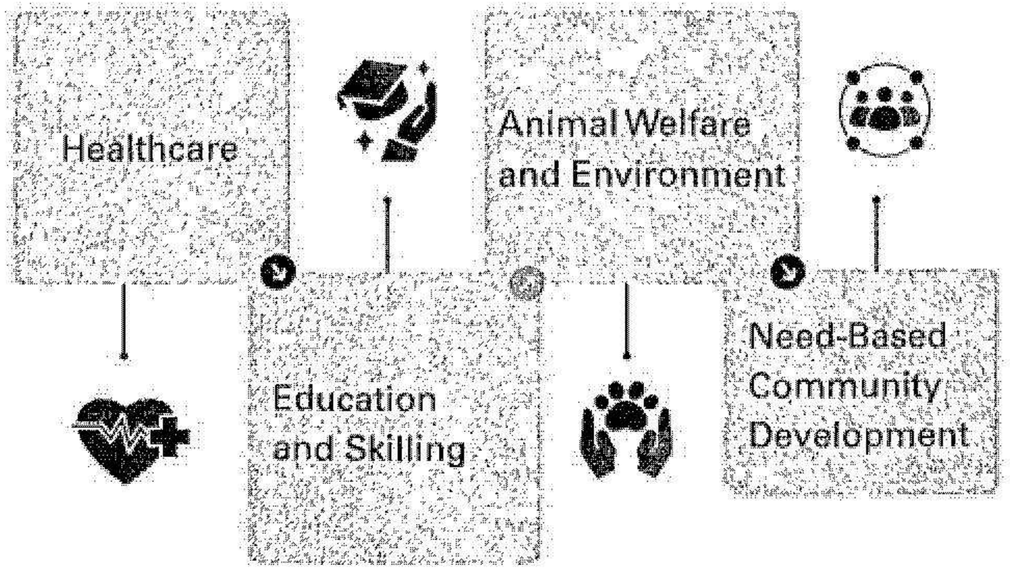
- 5 Years: Recognition by the CHRO.
- 10 Years: Recognition by the MD and celebration across regions.
- The Zenith Award is also given for exceptional individual contribution.

## Corporate Social Responsibility (CSR)

KPIL's long-term vision focuses on empowering marginalised and vulnerable communities to enable them to improve their quality of life. To do this, it has established a structured approach towards implementing need-based social interventions under its CSR.

Its CSR efforts are based on partnerships to strive towards achieving long-term social impact for the larger community covering all segments of the society. These initiatives are based on community engagement, and sustainability and are driven transparently and ethically by complying with the applicable laws and regulations.

**Pillars of CSR activities**




### Healthcare

*Kalpa AaRogya sEva (KARE)*

Project KARE aims to promote access to basic healthcare facilities under preventive, promotive and curative interventions.

#### Kalpa Seva Aarogya Kendra

The flagship initiative of running subsidised dispensaries, Kalpa Seva Aarogya Kendra (KSAK) in Gandhinagar, Gujarat and Khorpa, Chhattisgarh supported the medical needs of 48,012 beneficiaries from surrounding villages and towns. The OPD facility complements the government healthcare system by providing specialised interventions in Dentistry, Gynaecological, Orthopaedic and mental well-being amongst others.

**48,000+**

Beneficiaries

#### Diagnostic MRI

The MRI Centre has continued to provide scan services to marginalised communities and villagers around Gandhinagar since 2021. This centre has been a big boon to the community catering to more than 9000 patients in the year, with the highest number of patients scanned in a month touching 962.

#### Other projects

As a part of other community healthcare interventions, 600 cataract surgeries were supported through the Vision Foundation of India and more than 230 patients with Parkinson's were covered in partnership with Parkinson's Disease and Movement Disorder Society. The Company has endeavoured to support persons with disability (PWDs) in rural areas through the donation of motorised tricycles. During the year, it has supported 10 such rural beneficiaries near its Uniara Biomass Plant.

**600+**

Cataract surgeries

### Donation of ambulances

In its endeavour to reach needy patients in remote locations, three ambulances have been donated that will provide access for patients to be timely ferried to nearby hospitals around Khorpa, Chhattisgarh, Jodhpur and Sawai Madhopur in Rajasthan. The ambulance in Sawai Madhopur is equipped with a technologically advanced portable breast cancer detection device which will support in early detection of cancer amongst women who lack access to such diagnostic facilities.

### Menstrual health management project

The Company has initiated the menstrual health management project under which two sanitary napkin-making machines have been donated. The project aims to provide healthy and safe menstrual hygiene options to young adolescent girls and women from marginalised communities while breaking the stigma around the topic.

### Sanitation facilities

To provide clean and hygienic sanitation facilities, three public toilets have been constructed near plant and site locations in Gandhinagar, Munger, Bihar and Kotpad district in Odisha. The Gandhinagar toilet is built in a bustling vegetable market that has a daily footfall of more than 100 people & small shop owners. The toilets in Munger and in Kotpad are aimed towards reducing the problem of open defecation.

## Education and Skilling

*Kalpa Vidya Kalpa Kaushal*

### Education

Education has been a critical area of CSR implementation for KPIL. The Company believes, that education is a process through which an individual or communities' full potential can be achieved. It is the most important pillar through which right values, discipline, knowledge and effective decision-making in the long run can be attained.

Its focus has been on bridging the equity gap in terms of access to basic education. This has been achieved through targeted interventions in setting up Digital Smart Classrooms, promoting STEM education, setting up Computer Labs, making classrooms student-friendly by providing adequate furniture, beautifying walls with educational paintings and providing interactive learning spaces. The construction of additional classrooms and installing solar panels have also helped schools to enable more needy students to be enrolled and move towards using renewable energy to save on electricity expenses. The teachers' training too has played a crucial role in bringing about a pedagogical change in teaching. This has ensured the long-term sustainability of its interventions.

More than 27,000 students have benefitted across 67 educational institutes that include tribal ashramshalas, government schools, orphanage for special children and residential schools for hearing impaired students covering geographies in Assam, Chhattisgarh, Jharkhand, Uttar Pradesh, Telangana, Punjab, Odisha, Karnataka, Tamil Nadu, Maharashtra, Rajasthan & Madhya Pradesh.

**27,000+**

Students benefitted

### Skilling

While KPIL has been working towards strengthening early education for children across various States, there is still a large number of youngsters who have either dropped out of the formal education system or are unable to cope in the higher education system.

Understanding these challenges prevalent in society and aligning the same with the skill gap in the EPC industry, the Company has supported the training of more than 650 youth. The technical training has been imparted in partnership with Pan IIT Reach for India Foundation and technical training centres set up in government Industrial Training Institutes (ITI) across Jharkhand, Maharashtra, Gujarat and Chhattisgarh, and the various site locations covered through National Apprentice Promotion Scheme. KPIL has endeavoured to align the Government of India's Skill India Mission with a vision to bridge the skill gap and provide economic empowerment to youth.

**650+**

Youths trained and supported

## Animal Welfare and Environment

*SAVe our animals save OUR environment ("SAVIOUR")*

### Animal Welfare

KPIL is dedicated to supporting various initiatives for animal welfare. During the year, it collaborated with Trees of Life for Animals (TOLFA) in Ajmer, Rajasthan, and successfully rescued and treated animals in distress.

It also supported Federation of Indian Animal Protection Organisations (FIAPO)'s project aimed at advocating policy changes concerning the welfare of bovines in India while conducting a comprehensive study covering 50 dairies, potentially benefiting over 2200 cattle. It also provided a temporary shelter for stray cattle in Rewa, Madhya Pradesh and a gas cremation furnace for an animal hospital in Delhi run by People For Animals.

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**5,100**
Animals rescued and treated

### Environment

The Company recognises the crucial importance of water resources for local communities. Through its CSR initiatives, it has facilitated access to sustainable water solutions for four villages in Maharashtra. These interventions include the construction of farm ponds, restoration of existing water bodies such as wells, and area treatment to enhance water table levels. Additionally, the implementation of solar-powered community drinking water systems has addressed health concerns in these villages, benefiting over 5,800 villagers.

With improved access to water, the project has also encouraged farmers to adopt sustainable livelihood practices, reducing dependency on single-crop cycles. Notably, the intervention has harvested more than 1489 cu.m. of rainwater. Each village has established a women-led water committee trained to oversee the maintenance and monitoring of these initiatives, thereby fostering community participation and empowerment.

The Afforestation project implemented at Lalitpur, Uttar Pradesh in 2022 is a fully grown self-sustained forest. In addition to 10000 saplings planted, 800 more saplings with native species were planted in this ecosystem. The flora and fauna along with biodiversity have flourished in that region.

### Need-Based Community Development

*Kalpa Gramodaya*

KPIL supports the various needs of the communities around its facilities and site locations across the country. To strengthen its social footprints and improve the overall quality of life, KPIL through Kalpataru Foundation has constructed a Community Centre 'Asmita Kendra' in a village near Pune, Maharashtra. This community centre has been constructed to provide a common place for villagers to congregate for celebrations, trainings for women, community awareness sessions and so on. This will benefit the entire village of Varawadi that has a population of more than 2000 villagers. Infrastructure development like the construction of boundary walls and providing furniture and so on in schools, was also supported under this project near the Biomass plant at Padampur, Rajasthan during the year.

**2,000+**
People benefitted

### Sustainability

KPIL has made notable progress in reducing environmental impact across all operational facets. It has set clear benchmarks and diligently implemented control measures to enhance resource efficiency and minimise its carbon footprint. By undertaking consistent tracking and evaluation, it ensures a reduction in the environmental impact of its operations. Additionally, it collaborates with suppliers, particularly in sourcing raw materials like cement and steel, to ensure sustainability throughout the value chain.

**ISO 14001:2015**
Environmental Management System

### Sustainability goals

During the financial year 2023-24, the Company has established a set of comprehensive sustainability goals aimed at reducing its environmental footprint. These goals encompass various aspects, including reducing carbon emissions, efficient water and waste management, and implementing sustainable supply chain practices among others. By committing to these objectives, it aims to align its business practices with responsible and ethical principles, thereby driving long-term value creation while minimising its environmental footprint.

Water Neutrality by
**2032**

Waste Circularity (C&D waste) by
**2035**

Carbon Neutrality by
**2040**

For more information about the Company's endeavours and ESG performance, refer to the Integrated Report Section, Business Responsibility and Sustainability Report (BRSR) and CSR Report (Annexure A of Board's Report).

## Risks and concerns

The Company is primarily engaged in executing large and complex EPC projects in domestic and international markets. Because of the nature of its business, it faces different types of risks. To deal with these risks, the Company has a risk management committee. This committee reviews all kinds of risks including financial, operational, sectoral, sustainability (including ESG-related risk), informational, cyber security and other threats.

The committee is responsible for monitoring and directing the application of the risk management policy. This includes assessing the effectiveness of risk management processes and systems for risk reduction, as well as methods and procedures for internal control of identified risks. Additionally, it ensures that the right procedures, systems and methodologies are in place to identify and evaluate risks related to the Company's operations. The risk management committee aids the Board in the risk management process by identifying and assessing any changes in risk exposure, reviewing risk control measures and approving remedial actions wherever appropriate.

| Risks/Threats | Risk Description | Mitigation Strategy |
|---|---|---|
| **Environment, Health and Safety (EHS) Risks** | As a diversified company operating across multiple sectors of infrastructure development, it is exposed to complex Environment, Health and Safety (EHS) risks. The broad scope of its projects, spanning various geographies and often challenging terrains, escalates these risks. It must continually adapt to rigorous EHS laws, regulations and standards that vary by location and evolve with changing global mandates and stakeholder expectations. Non-compliance could lead to increased costs, legal challenges, or potentially jeopardize the viability of its operations. | Understanding the critical nature of these risks, especially given the Company's global presence and the challenging environments in which it operates, robust EHS risk mitigation is pivotal. Below is its approach:<br>• **Legal and regulatory compliance:** Adherence to both international and local EHS regulations and standards is a cornerstone of its strategy. This ensures the safety and health of not only the workforce but also the communities it operates in while safeguarding the environment and maintaining uninterrupted business operations.<br>• **Governance and oversight:** Its stringent governance mechanism effectively manages EHS risks, enforcing policies to minimize incidents. This framework ensures accountability and supports the implementation of EHS standards.<br>• **Continuous Improvement:** It employs customised safety processes, systematic monitoring, and a robust review mechanism to mitigate EHS risks. Comprehensive training and compliance reporting pre-empt potential issues, allowing for strategic responses.<br>Through these efforts, it aims to uphold its commitment to EHS excellence, ensuring that projects meet all the required safety and environmental standards. |
| **Loss of Biodiversity Risk** | The global risk of loss of biodiversity is a growing concern that directly impacts business operations. As an EPC company, its activities potentially affect natural habitats, leading to the endangerment of various species of flora and fauna. Such impacts on biodiversity are not only ecological but also regulatory, as they can provoke stringent policies that may disrupt business operations. | Recognising the critical importance of biodiversity conservation, the company has established a comprehensive framework for biodiversity management.<br>• Preliminary screening of project areas and operations to assess and mitigate potential impacts before any project commencement and assessment of the regulatory requirements.<br>• Beyond compliance, it is actively engaged in plantation activities and water conservation efforts, aimed at promoting and enhancing local biodiversity.<br>These initiatives contribute positively to ecological health and ensure that its business practices align with global environmental stewardship standards. |

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| Risks/Threats | Risk Description | Mitigation Strategy |
|---|---|---|
| **Solid Waste Management Risk** | Proper disposal of solid waste from operations is critical for environmental protection and safety. As waste management rules become increasingly stringent, the challenges associated with securing sufficient land for waste storage intensify. The risks of storing waste are compounded by the need for expansive, secure areas, making land availability a growing concern. The tightening regulations highlight the importance of evolving the Company's waste management practices to stay compliant and mitigate potential environmental and operational hazards. | • The Company's approach to solid waste management is guided by the principles of reduce, reuse and recycle, which encompass both hazardous and non-hazardous waste.<br>• It has developed and implemented robust processes aimed at improving the recycling and proper disposal of waste.<br>• To ensure the effectiveness of these mechanisms, regular meetings are convened, involving key stakeholders to review and refine its waste management practices.<br>• This structured approach ensures that its waste disposal processes remain efficient and compliant with the latest standards.<br>• In alignment with evolving environmental standards, it has adopted sustainability targets for the fiscal year 2023-24, aiming to achieve circularity of Construction and Demolition (C&D) waste by 2035. This commitment involves transforming how it handles waste, prioritising the circular economy to reduce the environmental impact of projects and ensuring compliance with statutory waste management criteria. |
| **Financial Risk** | Interest rate risk, exchange rate risk and liquidity risk are the three major financial risks. Exchange rates and interest rate fluctuations impact the Company's finances and profitability. The Company faces project delays and adverse contractual payment terms leading to increased working capital requirements. | The Company uses a variety of fund-raising products with a range of maturities to manage interest rate risks dynamically.<br>• It uses a mix of its domestic and international order books scattered across several locations as a technique for reducing currency risk.<br>• To reduce the exposure to foreign exchange-related risk, it also uses currency-forward contracts.<br>• It has access to well-diversified sources of liquidity through various consortium banking arrangements and institutions.<br>• Beyond this, the Company relies on access to trade finance and capital markets. It also continuously examines its liquidity levels, as well as the state of the economy and capital markets.<br>• The Company also deploys specific cash flow management strategies and processes to monitor and review regularly and takes corrective actions, as may be required to manage the working capital. |

| Risks/Threats | Risk Description | Mitigation Strategy |
|---|---|---|
| **Commodity Price Variation and Currency Fluctuations** | The Company deals with a variety of commodities, including cement, steel, copper, aluminium and zinc. Commodities are a significant part of the direct cost incurred by it for business activities including fabrication of towers and erection of the transmission lines and substation. Due to factors such as supply-demand mismatch, competition, production levels and taxation, they may have varying prices and supplies.<br><br>If input costs increase without adequate hedging measures, fixed pricing contracts may adversely impact the Company's profits. Also, with businesses spread across various nations, unfavourable currency fluctuations can affect the Company's financials. | As a part of the broader Risk Management Policy, the Company has a dedicated framework to manage commodity risk.<br>• The Company's business is significantly dependent on the availability, cost and quality of raw materials and fuels for the construction and development of projects undertaken.<br>• It currently manages such risk through the price escalation clause in some of the Contracts whereby the fluctuation in the input cost is passed on to the Client.<br>• In the case of firm price contracts, it enters into a commodity forward contract to hedge its price risk or pass on back-to-back firm price contracts to its vendor/contractor.<br>• It addresses the risk of fluctuation in commodities which cannot be hedged by building adequate contingencies based on market trends. |
| **Cyber security risk** | The Company has invested in Digitization and Automation across all functions. Globally cybersecurity has become a key concern for the continuity of business. | • Cybersecurity practices are being implemented under the guidance of the Risk Management Committee of the Company. These practices are grouped into people, process and technology control areas under the company-wide Cyber Security Assurance Framework.<br>• Employee awareness of cybersecurity is being enhanced through initiatives such as online cybersecurity awareness campaigns on phishing and e-mail security.<br>• Network devices, server operating systems and hardware are upgraded periodically.<br>• Online Information Security certification is mandatory for all new joiners and annual re-certification is done for all employees.<br>• New applications are deployed after adequate testing and additional certification in the case of external applications. It also actively monitors security logs to detect any malicious attempts and takes the necessary measures to mitigate the risk. Adequate data safety is ensured during its creation, storage, transit and retrieval. |
| **Operational Risk** | The Company operates in the EPC industry and is exposed to a variety of operational risks that cause unexpected project delays and interruptions in operations, negatively affecting the Company's top and bottom lines. | • To reduce the operational risk involved various risk mitigating projects, the Company has established policies and procedures.<br>• Projects are analysed within the operational risk spectrum using best practices to enable timely execution and optimum value generation for all stakeholders. |

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| Risks/Threats | Risk Description | Mitigation Strategy |
|---|---|---|
| **Client Counterparty Risk** | This risk pertains to the counterparty defaulting on its contractual obligations resulting in financial loss to the Company. | • The Company's major customers include government bodies and public sector undertakings. Majority of the International projects are funded by multilateral agencies.<br>• For other customers, it evaluates the creditworthiness based on publicly available financial information and the Company's historical experiences.<br>• The Company's exposure to counterparties is continuously reviewed and monitored and appropriate measures are adopted based on the outcome of the analysis. |
| **People Risk** | The need to maintain employee relations, attract and retain talent, and create an engaged set of employees has become important in an environment where talent is becoming scarce. | • The Company actively engages with the workforce regularly to learn about their requirements, objectives and any potential problems. Based on ongoing employee feedback, policies, practices, remuneration and developmental interactions are adjusted.<br>• It employs a methodical hiring process to attract the best candidates in the industry.<br>• To cultivate future leaders within the organization, it offers periodic training and mentoring, grooming and provides growth opportunities. |

## Internal Control

The Company maintains adequate internal controls, appropriate to the nature and size of the business, and commensurate with the scale and complexity of its operations. The Company has implemented robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. At the heart of the processes is the extensive use of technology. This ensures robustness and integrity of financial reporting and internal controls, allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports and ensures compliance with statutory laws, regulations and company policies. It has continued its efforts to align all its processes and controls with global best practices.

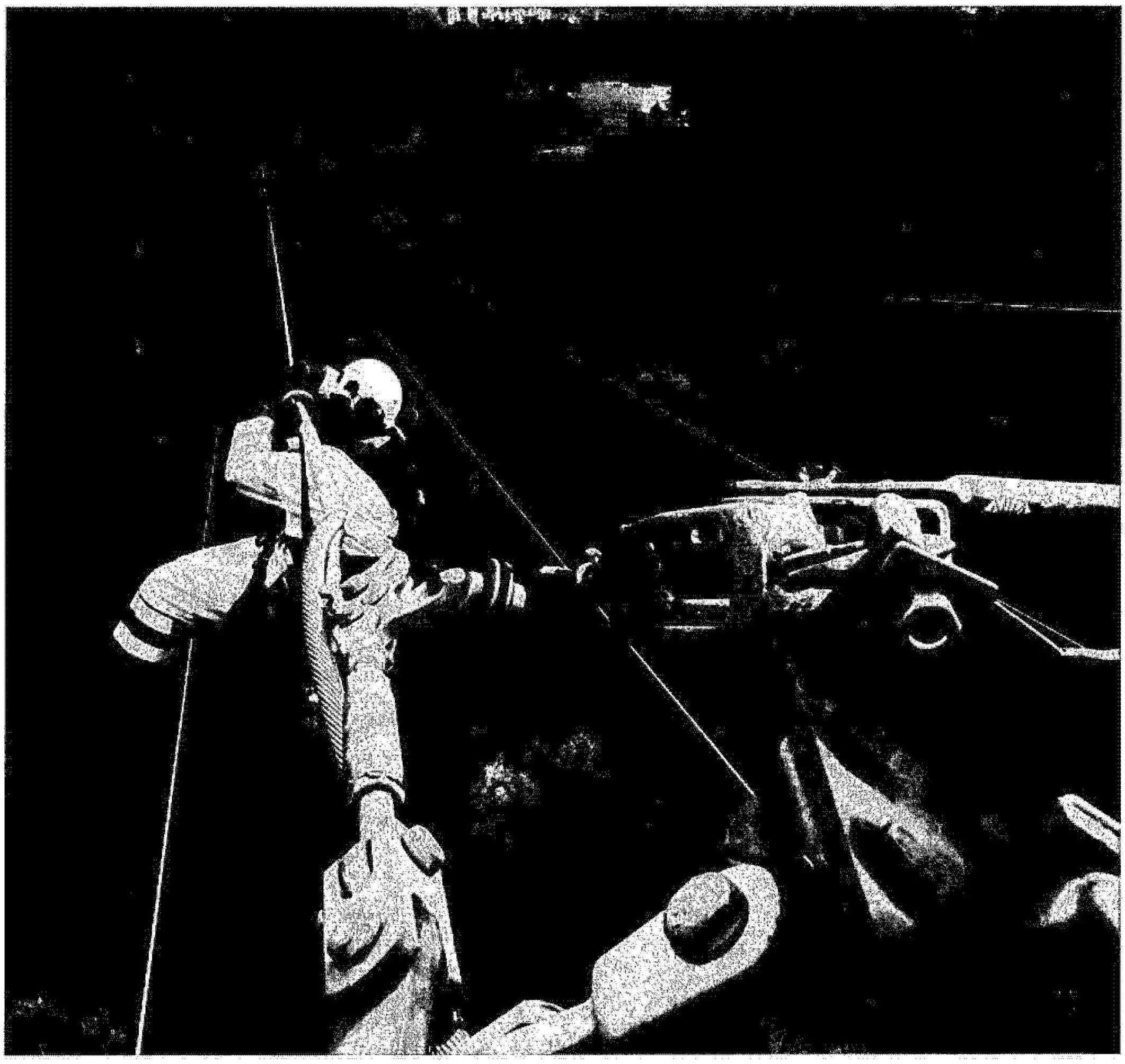
The Company has aligned its internal controls with the requirements of the Companies Act, 2013. The statutory auditors of the Company have issued an attestation report on the Company's internal control over financial reporting (as defined in section 143 of the Companies Act, 2013). The Board of Directors and management at all levels of the Company demonstrate through their directives, actions and behaviours the importance of integrity and ethical values to support the efficient functioning of the system of internal control. The same is demonstrated through various means including, but not limited to Code of Conduct together with the Whistle Blower Policy and Anti Bribery & Anti-Corruption Policy for raising concerns about unethical behaviour, improper practice, any misconduct, any violation of legal or regulatory requirements, actual or suspected fraud by any official of the Company without fear of punishment or unfair treatment, appraising Senior Management and the Audit Committee of the Board periodically on the internal processes of the Company concerning Internal Controls, Statutory Compliances and Assurance etc.

The Company has a Group Assurance department besides an external firm acting as an independent internal auditor that reviews internal controls and operating systems and procedures. A dedicated Legal Compliance division ensures that the Company conducts its businesses with the highest standards of legal, statutory and regulatory compliance. The Audit Committee of the Board reviews the annual internal audit plan prepared by the Group Assurance department, covering core business operations, corporate departments as well as support functions. Corporate Audit Services conducts independent internal audits and the significant audit observations are presented to the Audit Committee every quarter along with an update on the implementation of recommended remedial measures and agreed actions by the management. The effectiveness of internal controls was tested during the year by the Statutory Auditors as well as by the internal audit firm and no reportable material weaknesses

either in their design or operations were observed. The evaluation included documentation review, enquiries, testing and other procedures considered to be appropriate in the circumstances. The Company also has an institutionalized mechanism of dealing with complaints of sexual harassment through a formal committee constituted in line with the Company's Policy on the 'Anti Sexual Harassment policy'.

## Cautionary statement

This report includes facts, figures, assumptions, strategies, goals, and intentions of the Company, which may be forward-looking. The actual results and performance of the Company may differ significantly from those presented herein. The Company's performance depends on global and national economic conditions, commodity prices, business risks, changes in government rules and regulations, and other factors.



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# Board's Report

DEAR MEMBERS,

Your Directors are pleased to present the **43rd ANNUAL REPORT of Kalpataru Projects International Limited (formerly Kalpataru Power Transmission Limited)** ("the Company") together with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2024.

## FINANCIAL HIGHLIGHTS

(₹ in Crores)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Revenue from Operations | 19,626.43 | 16,361.44 | 16,759.66 | 14,336.82 |
| Profit before Depreciation and Amortization expenses, Tax and Exceptional items | 1,174.48 | 942.49 | 1,141.67 | 979.33 |
| Less: Depreciation and amortization expenses | 473.29 | 391.75 | 367.88 | 294.75 |
| **Profit before Tax and Exceptional Items** | **701.19** | **550.74** | **773.79** | **684.58** |
| Exceptional items | - | 90.78 | (35.00) | 54.10 |
| Tax Expense | 185.29 | 206.50 | 205.79 | 206.73 |
| **Profit for the period** | **515.90** | **435.02** | **533.00** | **531.95** |
| Other Comprehensive Income (net of tax) | | | | |
| Items that will be reclassified subsequently to Profit or Loss | 12.77 | (57.16) | 14.93 | (48.70) |
| Items that will not be reclassified subsequently to Profit or Loss | (3.83) | 1.49 | (3.91) | 1.58 |
| **Total Comprehensive Income for the period** | **524.84** | **379.35** | **544.02** | **484.83** |
| **Other Equity – Opening balance** | **4,688.13** | **4,248.79** | **5,287.24** | **4,907.32** |
| Add: Profit for the year | 509.61* | 440.75* | 533.00 | 531.95 |
| Less: Dividends paid | (113.71) | (96.77) | (113.71) | (102.20) |
| Less: Issue of Equity Shares | - | - | - | (2.71) |
| Add / (Less): Other Comprehensive income for the year (net of tax) | 9.33 | (42.34) | 11.02 | (47.12) |
| Add / (Less): Acquisition of non-controlling interest | 12.14 | 137.70 | - | - |
| **Other Equity – Closing balance** | **5,105.50** | **4,688.13** | **5,717.55** | **5,287.24** |

* Profit for the year attributable to Owners of the Company

## OPERATIONAL HIGHLIGHTS

During financial year 2023-24, the Standalone revenue of your Company increased by about 16.90% to ₹ 16,759.66 Crores as against ₹ 14,336.82 Crores in the previous financial year. Total revenue outside India was ₹ 4,941.09 Crores which is 29.48% of revenues.

The Standalone net profit for the year increased by 0.20% to ₹ 533 Crores as against ₹ 531.95 Crores in the previous financial year.

Your Company has a consolidated order book of more than ₹ 58,400 Crores (including T&D subsidiaries) excluding fairly placed bids. Your Company has received orders in excess of ₹ 30,000 Crores (including T&D subsidiaries) in the current financial year 2023-24.

The consolidated revenue of your Company increased by about 19.96% to ₹ 19,626.43 Crores as against ₹ 16,361.44 Crores in the previous financial year.

The consolidated net profit for the year increased by about 18.59% to ₹ 515.90 Crores as against ₹ 435.02 Crores in the previous financial year.

## CHANGE OF NAME

The Board of Directors of the Company on April 10, 2023, approved the proposal for change in the name of the Company from the then existing name 'Kalpataru Power Transmission Limited' to 'Kalpataru Projects International Limited'. During the year under review, the proposal for the aforesaid change of name of the Company was approved by the members on May 14, 2023. Consequently, the Registrar of Companies, Ministry of Corporate Affairs, Ahmedabad issued "Certificate of Incorporation pursuant to change of the name of the Company" and effective May 22, 2023, the name of the Company stands changed to Kalpataru Projects International Limited.

## AWARDS & RECOGNITIONS

Your Company has been honoured with various awards, accolades and recognitions during the year under review, some of which are elaborated hereunder:

- Manufacturing Plant in Gandhinagar: Gold Award at the National Safety Convention with theme of "Elevate, Empower & Envision a Safer Tomorrow" organised by Quality Circle Forum of India (QCFI), Gold Award in Innovative Category & Silver award in Renovative Category at 47th CII National Kaizen Competition 2023, GOLD Award for Six Sigma Project Case Study at Ahmedabad Chapter Convention on Quality Concepts organized by QCFI Ahmedabad, Silver award in NAMC - 2023 (National Awards for Manufacturing Competitiveness) Assessment organized by IRIM – International Research Institute for Manufacturing, Gold Award in National Level Lean Competition organized by CII – Institute of Quality for project viz. One Plant One Location.

- Manufacturing Plant in Raipur: Multiple awards received from *Quality Circle Forum of India, Silver recognition at* the 7th National Lean Competition for project viz. Process improvement through LEAN (bending module), TPM Certificate 2023 for significant achievement in the journey towards manufacturing excellence.

- Biomass Power Plant in Rajasthan: Received State Safety Award-2023 from the Government of Rajasthan under Rajasthan Factory Safety Award Scheme, 2023.

- Transmission Lines & Substations: Multiple Gold Awards received from National Convention on Quality Concepts and Chapter Convention on Quality Control Circle by QCFI, Award by CII on case study "Challenges faced & solutions implemented while using HTLS Conductor in transmission line", 2 Gold awards at the International Convention on Quality Circle Concept – ICQCC 2023, International Safety Award from British Safety Council for projects viz. WO 393 - Dubai Branch.

- Railways : Multiple awards including felicitation of Supervisors and Artisans at the 14th CIDC Vishvakarma Awards, Award for "Outstanding Contribution in Urban Infrastructure – Railway for Umdanagar Mahabubnagar Project of South Central Railway" at the 10th EPC World Awards, L&OD Excellence Awards at the 13th L&OD Summit.

- Oil & Gas: Business Unit Head was awarded with the title "Business Icon of the Year" at Outlook Business Spolight - Business Icon Awards 2023.

- Water: Gold Award for Quality Excellence by Apex India, Achievement award for the Best Construction Project and multiple awards under category Construction, Health, Safety & Environment for various projects at the 14th CIDC Vishwakarma Awards 2023, Bronze Award for Health & Safety from the Royal Society for the Prevention of Accidents (ROSPA), United Kingdom, Multiple certificates under Har Ghar Jal Jeevan Mission for supply of safe tap water to more than 2 lakh houses in 580 villages.

- Buildings & Factories: Multiple appreciations received from various clients for safe working hours achieved at various project sites, Various awards at the 6th Global Smart Build Summit and Awards viz. "Best Contractor of the Year" Award, "Best High Risk Project of the Year" Award, "Best Smart Commercial Property of the Year" & "Best Smart Project of the Year", ACCE(I) – L&T Formwork Award 2023 for best use of formwork in civil engineering for construction of permanent campus for IIT Tirupati, Suraksha Puraskar for Project IIT – Tirupati at the NSCI Safety Awards – 2022, Multiple awards by Unnatha Suraksha Puruskar for various projects at the National Safety Council Karnataka Chapter, Award for "Safe Construction Project of the Karnataka State" by the Director of Factories, Government of Karnataka for Sparkle One Mall, International Safety Award from British Safety Council for projects viz. Labzone Bengaluru Life Sciences Park, Maldives Social Housing Project, DLF-3 Down-Town, Chennai, Multiple awards under category "Best Construction Project" for the projects viz. Bagmane Rome, Bangalore, IIT Tirupati – Phase 1, Chennai, Indis VB City, Hyderabad, Prestige Falcon City Forum Mall, Bangalore, Viva City, Bangalore and category "Construction, Health, Safety & Environment for various other projects at the 14th CIDC Vishwakarma Awards 2023, Multiple awards by RoSPA for Prevention of Accidents under gold category for the project viz. KPIL-DLF Info Park Developers (Chennai) Limited, KDPL Mall Project.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF YOUR COMPANY

There are no material changes and commitments, affecting the financial position of your Company which has occurred between end of financial year 2023-24 and the date of Board's Report.

## DIVIDEND

Your Directors are pleased to recommend dividend on the paid-up equity share capital base of the Company for the year ended March 31, 2024 @ ₹ 8/- (400%) per equity share of ₹ 2/- each fully paid up (previous year ₹ 7 (350%) per fully paid up equity share). The total dividend payment for FY 2023-24 would be approx. ₹ 129.96 Crores on the share capital base of 16,24,46,152 equity shares as against the previous year dividend payment of ₹ 113.71 Crores on the equity shares of the Company. The final dividend payment for the FY 2023-24 is in accordance with the Dividend Distribution Policy of the Company and the same shall be paid subject to the deduction of tax in applicable cases once approved by the members of the Company at the ensuing Annual General Meeting.

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## DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), your Company has formulated Dividend Distribution Policy and the same is also available on the website of the Company at https://kalpataruprojects.com/api/view-file/Dividend-Distribution-Policy.pdf

The Board of Directors of your Company have recommended dividend within the parameters of the Dividend Distribution Policy. There was no change in Dividend Distribution Policy during the year under review.

## NON-CONVERTIBLE DEBENTURES

During the year under review, the Company has redeemed Non-Convertible Debentures (NCDs) worth ₹ 225 Crores.

Also during the year, your Company has issued and allotted (i) 30,000 Nos. 8.07% Unsecured, Rated, Listed, Redeemable NCDs of the face value of ₹ 1,00,000/- (Rupees One Lakh Only) each, for an aggregate nominal value of ₹ 300,00,00,000/- (Rupees Three Hundred Crores Only) (ii) 15,000 Nos. Repo Rate linked Unsecured, Rated, Listed, Redeemable NCDs of the face value of ₹ 1,00,000/- (Rupees One lakh Only) each, for an aggregate nominal value of ₹ 150,00,00,000/- (Rupees One Hundred Fifty Crores Only) and (iii) 15,000 Nos. 8.32% Unsecured, Rated, Listed, Redeemable NCDs of the face value of ₹ 1,00,000/- (Rupees One Lakh Only) each, for an aggregate nominal value of ₹ 150,00,00,000/- (Rupees One Hundred Fifty Crores Only) on private placement basis. The said NCDs are listed on Wholesale Debt Market Segment of BSE Limited. Further, the Company has fully utilized the proceeds of issue of said NCDs for the purposes as mentioned in the Information Memorandum, General Information Document and Key Information Documents, as applicable.

As on March 31, 2024, the total outstanding NCDs stands at ₹ 10,23,00,00,000/- (Rupees One Thousand Twenty Three Crores Only) comprising (i) 3,230 NCDs of the face value of ₹ 10,00,000/- (Rupees Ten Lakh Only) each (ii) 2,000 NCDs of the face value of ₹ 5,00,000/- (Rupees Five Lakh Only) each and (iii) 60,000 NCDs of the face value of ₹ 1,00,000/- (Rupees One Lakh Only) each.

## TRANSFER TO RESERVES

Your Company has transferred following amounts to various reserves during the financial year ended March 31, 2024 :

| Amount transferred to | Amount in ₹ Crores |
|---|---|
| General Reserve | 10.00 |
| Other Reserve | 0.26 |

## PERFORMANCE AND FINANCIAL POSITION OF EACH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, Kalpataru Power Do Brasil Participacoes Ltda. (KPBPL), wholly owned subsidiary of the Company acquired balance 49% equity stake in Fasttel Engenharia S.A. (Fasttel) on July 10, 2023. Consequent thereto, Fasttel has now become a wholly owned subsidiary of KPBPL and also a step-down wholly owned subsidiary of the Company.

As at March 31, 2024, your Company had 24 (twenty four) subsidiaries and 1 (one) joint venture company. In addition, your Company also held 26% equity share capital of Kohima Mariani Transmission Limited and Alipurduar Transmission Limited.

As at March 31, 2024, none of the subsidiaries of the Company qualifies to be considered as Material Subsidiary as per the Listing Regulations and Company's policy on determining Material Subsidiary.

A statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in terms of provisions of Section 129(3) of the Companies Act, 2013 in the prescribed Form AOC-1 is annexed to Consolidated Financial Statements and hence not repeated here for the sake of brevity.

The brief details of the activities carried out by some of the subsidiaries of your Company is provided below.

- **Shree Shubham Logistics Limited ("SSLL"):**

  SSLL provides agri-storage infrastructure along with a wide range of value-added services like preservation, maintenance & security (PMS), testing & certification, collateral management & pest control activities. It manages and operates warehouses (Owned, Hired, Third Parties and Public Private Partnership (PPP) model) across 6 Indian states namely Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Haryana & Karnataka. SSLL is having revenue sharing agreement with Rajasthan State Warehousing Corporation. Further, it has been appointed as a service provider by Maharashtra State Warehousing Corporation, Haryana State Warehousing Corporation and Haryana State Co-operative Supply and Marketing Federation Limited for preservation, maintenance and security (PMS) of food grains. Apart from this, it has got various corporates, banks, retail, traders and farmers as its customers.

  In aggregate, SSLL is managing more than 400 warehouses with a total storage capacity exceeding 11 million sft. SSLL is a wholly owned subsidiary of your Company.

- **Linjemontage I Grastorp AB ("LMG"):**

  LMG, a Swedish EPC company headquartered in Grastorp, Sweden, along with its two wholly owned subsidiaries, is a step-down wholly owned subsidiary of the Company (through Kalpataru Power Transmission Sweden AB).

During the year under review, LMG along with its two subsidiaries has bagged highest ever orders of approx. USD 198 Million. It has an all time high order book of approx. USD 247 Million as on March 31, 2024. It has achieved a revenue of approx USD 124 Million and a margin of USD 2.5 Million. Further, it is now one of the key players in the EPC market in the area of Substations, Transmission lines and has also strengthened its position in the industrial area. LMG has operations in Norway and during the year under review, it has opened a branch in Croatia as well. It has also entered into the 400kV Substation business in Sweden securing a large order from Swedish Grid (Svenska Kraftnat). LMG remains the operator of choice to its existing customers.

- **Fasttel Engenharia S.A. ("Fasttel"):**

  Fasttel is a wholly owned step-down subsidiary of the Company (through Kalpataru Power Do Brasil Participacoes Ltda.). Fasttel was incorporated in 1988 and is headquartered in Curitiba, Brazil with primary business areas of EPC of Substations, Transmission lines and Power Distribution services. It has a presence in more than 20 states across Brazil, having built over 3000 km of transmission lines and 60 substations for various voltage ranges up to 750 kV. It has completed 782 km transmission lines during FY 23-24, out of which it has completed 364 km for 500 kV transmission line. Further, it has commissioned below major sub-stations during FY 24:

  i) 138 kV outdoor GIS Substation, completed in 9 months.

  ii) 2x500 kV, 300 MVA Substation delivered for wind power.

  iii) 230 kV Tucuma & Rio Branco, 238 Kv Substation

  Fasttel is well poised for its future growth with an order book exceeding USD 177 million as on March 31, 2024.

- **Kalpataru IBN Omairah Contracting Company Limited ("KIOCL"):**

  KIOCL is a joint venture of the Company with IBN Omairah Contracting Company Limited in the Kingdom of Saudi Arabia wherein the Company is holding 65% equity shares of KIOCL. During the year under review, KIOCL had four projects under construction, out of which 2 nos. of 380 kV Double Circuit, 1 no. of 115 kV Double Circuit and 1 no. of 110 kV Double Circuit overhead transmission line and associated Bay extensions. The Projects are progressing well and are expected to be completed as per schedule. During the year under review, the 380 kV Double Circuit project has been awarded with the prestigious RoSPA Gold Award for the highest Health & Safety performance.

- **Kalpataru Power Transmission Chile SpA ("KPCSA"):**

  KPCSA is a wholly owned subsidiary of the Company in Chile. Currently, KPCSA has two contracts awarded to it in Chile for (a) HDVC Transmission Line (b) LA Negra New Sectioning Substation for 220/110 kV. The HDVC Transmission Line project is in its Design & Engineering and clearance stage which are progressing well. LA Negra New Sectioning Sub Station for 220/110 kV project is under its final stages of physical completion. KPCSA is strengthening its team for the successful execution of the contracts and enhancing its capabilities in the market.

Pursuant to provisions of Section 129 of the Companies Act, 2013, your Company shall place Consolidated Financial Statements before its members for their approval. Further, pursuant to provisions of Section 136 of the Companies Act, 2013, your Company will make available the Annual Accounts of the Subsidiary Companies and the related information to any Members of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies are also uploaded on the website of the Company i.e. https://kalpataruprojects.com/investors/financials/annual-reports/financials-of-subsidiaries and will also be kept open for inspection at the Registered Office of your Company and that of the respective Subsidiary Companies.

## CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Audited Consolidated Financial Statements for the year under review pursuant to Companies Act, 2013 and Listing Regulations. The Consolidated Financial Statements presented by your Company have been prepared as per Ind AS and include the Financial Statements of its Subsidiary Companies, Associates and Joint Venture Companies.

## DIVESTMENT / MONETIZATION OF TRANSMISSION LINE SPV's

Your Company, in terms of the agreement has sold and transferred in tranches in aggregate 74% equity shares of Alipurduar Transmission Limited to Adani Transmission Limited with an agreement to sell the balance 26% to it, after obtaining requisite regulatory and other approvals and in a manner consistent with the Transmission Service Agreement.

Further, your Company has also sold and transferred in tranches in aggregate ~48% equity shares of Kohima-Mariani Transmission Limited to Apraava Energy Private Limited (formerly known as CLP India Private Limited) with an agreement to sell the balance 26% to it, after obtaining requisite regulatory and other approvals and in a manner consistent with the Transmission Service Agreement.

## DIRECTORS

As on March 31, 2024, your Board comprises of 9 Directors including 5 Independent Directors, 2 Executive Directors and 2 Non-Executive Non-Independent Directors.

During the year under review, Mr. Sajjanraj Mehta, Mr. Vimal Bhandari and Mr. Narayan Seshadri, Independent Directors of the Company retired as members of the Board of Directors on account of completion of their second and final term effective March 31,

202410180059 2

2024. The Board placed on record its deep sense of appreciation for the services rendered by them and their invaluable contribution in the growth journey of the Company.

Additionally, Mr. Sanjay Dalmia (DIN: 03469908), Executive Director, will continue to drive the international operations of the Company but has stepped down from the board (effective from March 28, 2024) due to the regulatory requirements for composition of the board and accordingly, his designation will continue as Executive Director (non-board position).

Further, during the year under review, your Company at the recommendation of the Nomination and Remuneration Committee appointed Mr. Dhananjay Mungale (DIN: 00007563) and Mr. Bimal Tanna (DIN: 06767157) as Additional Directors designated as Independent Directors of the Company for a term of 5 consecutive years commencing from April 01, 2024 upto March 31, 2029, subject to approval of the shareholders. In this regard, the proposal for obtaining approval of shareholders has been circulated through postal ballot notice dated April 08, 2024.

Accordingly, with effect from April 01, 2024, your Board comprises of 8 Directors including 4 Independent Directors, 2 Executive Directors and 2 Non-Executive Non-Independent Directors.

Your Company has received declarations from all the Independent Directors confirming that (i) they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b) of the Listing Regulations (ii) they continue to comply with the Code of Conduct laid down under Schedule IV of the Act and (iii) they have registered their names in the Independent Director's Databank. Further, pursuant to Section 164(2) of the Companies Act, 2013, all the Directors have provided declarations in Form DIR- 8 that they have not been disqualified to act as a Director. Also your Board is of the opinion that the Independent Directors of the Company including the newly appointed Independent Directors possess integrity, requisite expertise, experience and proficiency and the details thereof are given in the Corporate Governance Report.

In terms of Section 152 of the Companies Act, 2013, Mr. Parag Munot (DIN: 00136337), being the longest serving Director, shall retire by rotation at the ensuing AGM and being eligible, offers himself for reappointment. The Board of Directors of the Company at the recommendation of Nomination and Remuneration Committee has recommended for his re-appointment.

A brief resume of Mr. Parag Munot, being re-appointed as a Director liable to retire by rotation along with the nature of his expertise, his shareholding in your Company and other details as stipulated under Regulation 36 (3) of the Listing Regulations is appended as an annexure to the Notice of the ensuing Annual General Meeting.

## BOARD MEETINGS

During the year under review, the Board met 5 times on May 08, 2023, August 11, 2023, November 02, 2023, February 07, 2024 and March 27, 2024.

The number of meetings of the Board that each Director attended is provided in the Report on Corporate Governance, appended to, and forming part of, this Report.

## COMMITTEES

In order to adhere to the best corporate governance practices, to effectively discharge its functions and responsibilities and in compliance with the requirements of applicable laws, your Board has constituted several Committees including the following:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Share Transfer Committee
- Executive Committee

On account of cessation of the second and final term of Mr. Sajjanraj Mehta, Mr. Vimal Bhandari and Mr. Narayan Seshadri, Independent Directors, the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee have been reconstituted.

The details with respect to such changes in committee compositions, powers, roles, terms of reference etc. of relevant Committees are given in detail in the 'Report on Corporate Governance' of your Company which forms part of this Report. The dates on which meetings of Board Committees were held during the financial year under review and the number of Meetings of the Board Committees that each Director attended is provided in the 'Report on Corporate Governance'. The minutes of the Meetings of all Committees are circulated to the Board for discussion and noting.

During the year, all recommendations of the Committees were accepted by the Board.

## KEY MANAGERIAL PERSONNEL (KMP)

Mr. Manish Mohnot, Managing Director & CEO, Mr. Shailendra Kumar Tripathi, Dy. Managing Director, Mr. Ram Patodia, Chief Financial Officer and Ms. Shweta Girotra, Company Secretary are the Key Managerial Personnel (KMPs) as per provisions of

Companies Act, 2013. There has been no change in KMP during the year under review.

## CORPORATE GOVERNANCE

Implementation of effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising employees, investors, customers, regulators, suppliers and the society at large. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Kalpataru culture and ethos.

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India.

The Report on Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations is attached. The Report on Corporate Governance also contains certain disclosures required under Companies Act, 2013 for the year under review.

A certificate from M/s. B S R & Co. LLP, Statutory Auditors of the Company confirming compliance to the conditions of Corporate Governance as stipulated under Listing Regulations is annexed to the Report on Corporate Governance.

## MANAGEMENT DISCUSSION AND ANALYSIS

As per Regulation 34 of the Listing Regulations, a separate section on Management Discussion and Analysis Report outlining the business of your Company forms part of this Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY

As on March 31, 2024, the CSR Committee consisted of Mr. Sajjanraj Mehta as Chairman, Mr. Mofatraj P. Munot, Mr. Parag Munot and Mr. Manish Mohnot as members of the Committee.

With completion of the tenure of Mr. Sajjanraj Mehta on March 31, 2024, the Corporate Social Responsibility (CSR) Committee was reconstituted and Dr. Shailendra Raj Mehta, Independent Director was appointed as Chairman of the CSR Committee effective April 01, 2024.

Accordingly, with effect from April 01, 2024, the CSR Committee comprises Dr. Shailendra Raj Mehta as Chairman, Mr. Mofatraj P. Munot, Mr. Parag Munot and Mr. Manish Mohnot as Members of the Committee.

Your Company has been committed to the welfare of the communities through philanthropic interventions even before the provisions of Companies Act, 2013 made it mandatory. In order to leverage the demographic dividend, the Company has been focusing on social issues of Healthcare, Education, Skilling/Livelihood, Animal Welfare, Environment and Community development by undertaking need based initiatives. The Company implemented some innovative and sustainable initiatives for the marginalized and vulnerable communities around the Plant locations in Gandhinagar, Raipur & Biomass power plants along with remote project site locations across India. These projects were aligned to Schedule VII of the Companies Act and the United Nation's Sustainable Development Goals and have strived towards achieving scalable impact, outcomes and outputs in the community. The initiatives were implemented either directly or through Kalpataru Foundation and Kalpataru Welfare Trust.

Your Company has formed a CSR Committee as per the requirement of the Companies Act, 2013. On recommendation of the CSR Committee, the Board of Directors' of your Company has approved a CSR Policy which is available on the website of your Company at https://kalpataruprojects.com/api/view-file/Corporate%20Governance policies%20&%20Guidelines_CSR%20Policy.pdf. The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the Annual Report on CSR activities undertaken during the year as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) are set out in **Annexure A** of this report.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34 of the Listing Regulations read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" ('BRSR'). The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct". Your Company has published 2nd BRSR for FY 2023-24. The BRSR forms an integral part of the Annual Report.

## VIGIL MECHANISM

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a vigil mechanism (whistle-blower-policy) under which the employees, vendors and any other person are free to report violations of applicable laws and regulations and the Code of Conduct of the Company. The reportable matters may be disclosed to the Chief Ethics Officer and Anti Bribery Management System Committee which operates under the supervision of the Audit Committee. Further, the functioning of the vigil mechanism is being monitored by the Audit Committee from time to time. The whistle blower may also report violations to the Chairman of the Audit Committee in exceptional cases. During the year, no employee/person was denied access to the Audit Committee.

The Whistle Blower Policy has been disclosed on the Company's website https://kalpataruprojects.com/api/view-file/Whistle-Blower-Policy-November-2021.pdf

202410180059 3

## INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Financial Controls are an integrated part of the risk management process, addressing financial risks and financial reporting risks. The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, continuous monitoring by functional experts and testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively considering the nature of our industry and are operating as intended.

## STATUTORY AUDITORS AND AUDITORS' REPORT

The Board of Directors at its meeting held on 08th May, 2023 and the Shareholders at the Annual General Meeting (AGM) held on 17th July, 2023 considering the experience and expertise and on the recommendation of the Audit Committee approved the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for the second term of 5 (five) consecutive years i.e. from the conclusion of 42nd AGM till the conclusion of the 47th AGM of the Company to be held in the year 2028.

The Statutory Auditors of the Company have issued Audit Reports on the Standalone and Consolidated Annual Financial Statement of the Company with unmodified opinion. There were no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors in their reports on the Standalone Annual Financial Statements.

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The explanations of your Board of Directors in relation to remarks appearing in para (xxi) of Annexure A to Independent Auditor's Report under Companies (Auditor's Report) Order, 2020 (CARO) issued by Statutory Auditors of the Company on consolidated financial statements as a result of remarks by respective statutory auditors of **Kurukshetra Expressway Private Limited ("KEPL" or "Concessionaire")**, a joint venture of the Company and **Shree Shubham Logistics Limited ("SSLL"), Wholly Owned Subsidiary** of the Company, are as under:

| Name of the Company | Clause no. of CARO | Remarks appearing in the consolidated CARO | Explanation |
|---|---|---|---|
| KEPL | Clause (ix) (a) | According to the information and explanations given to us and as per the books of accounts and records examined by us, read with the fact that the project has been terminated and there are no operations, in our opinion, the company has defaulted in the repayment of loans and payment of interest thereon to its lenders as and when the same were due and hence the facilities granted by the banks / NBFC have been classified as Non-Performing Assets (NPA). The details w.r.t. the amount of borrowing and interest overdue may be referred to at Note No. 11 of the accompanying financial statements | KEPL, a joint venture (49.57%) of the Company, served a notice of termination of Concession Agreement ("CA") vide letter dated October 7, 2021 to the National Highways Authority of India ("NHAI") on account of continuous disruption and blockade of traffic at National Highway-71 due to farmer agitation with stoppage of toll collection that resulted into cash losses. The provisions of Concession Agreement provide for termination where events which are not in control of KEPL, and obliges NHAI paying KEPL for repayment of Debt Due along with Adjusted Equity after necessary adjustments. However, pending receipt of final termination payment from NHAI, KEPL could not pay the loan and interest to its lenders in October 2021 and consequently the outstanding amount of loan and interest was classified as NPA (Non-performing asset) by the lenders.<br><br>Upon receipt of termination payment and other claims filed against NHAI, KEPL believes that it will be able to meet its liabilities. KEPL has received a copy of the letter dated February 3, 2022 from an Independent Engineer ("IE") appointed by NHAI in which the IE has sought to limit the amount payable (net of other deductions) as "Termination Payment". KEPL do not agree to it. |
| | Clause (xvii) | The company has incurred cash losses of ₹ 131.71 Lacs & ₹ 160.72 Lacs respectively in the current as well as the immediately preceding previous year. | |
| | Clause (xix) | On the basis of the financial ratios, ageing and expected dates of realization of assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions indicate that a material uncertainty exists as on the date of the audit report indicating that the company may not be able to meet its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, as represented | |

| Name of the Company | Clause no. of CARO | Remarks appearing in the consolidated CARO | Explanation |
|---|---|---|---|
| | | to us, the company is reasonably sure of receiving the amount of claims and shall be able to meet the liabilities, though with some delay. | Although, the Company and other promoter of KEPL have, jointly and severally given 'shortfall undertakings' to the Senior Lenders in case there is any shortfall between amounts received from NHAI and that payable by KEPL to its lenders, however, upon receipt of termination payment and other claims filed against NHAI and based on management's assessment and legal advice, KEPL believes that it will be able to meet its liabilities.<br><br>The Company has made provision for impairment of its entire Equity investment in KEPL, expected credit loss against the entire amount of loan given (including amount paid on behalf of other promoter) to KEPL and potential shortfall, if any.<br><br>The Company has made above provisions without prejudice to its and KEPL legal rights and claims against NHAI and will continue to pursue these amounts against KEPL. Further, it will seek KEPL to pursue their claims and termination payment against NHAI notwithstanding the above recognition. |
| SSLL | Clause (xvii) | The Company has incurred cash losses of ₹ 961.53 lakhs in the current financial year and ₹ 221.33 lakhs in the immediately preceding financial year | The reason for cash losses of SSLL is lower utilisation of warehouses due to higher market price than minimum support price fixed by the Government. |
| | Clause (xix) | We draw attention to Note 2(a) to the Standalone financial Statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2024. Notwithstanding the accumulated losses, the management continues to believe that the Company will be continue as a going concern for the foreseeable future and meet all its liabilities as fall due for payment based on financial support provided by Holding Company, if required and continuing availability of credit facilities to the Company. On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. | Remark is self-explanatory. |

202410180059 4

## SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Company had appointed Mr. Urmil Ved, Practising Company Secretary, Gandhinagar, as its Secretarial Auditor to conduct the Secretarial Audit of your Company for FY 2023-24. The Report of the Secretarial Auditor for the FY 2023-24 is annexed to this report as **Annexure B**. There were no qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditor in its report.

## COST AUDITOR AND COST ACCOUNTS

In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to maintain cost records in respect of its tower manufacturing, electricity, roads & infrastructure and construction activity and have the cost records audited by a qualified Cost Accountant.

The Company has made and maintained cost records as specified by the Central Government under Section 148(1) of Companies Act, 2013 and such records have been audited by the Cost Auditor pursuant to Companies (Cost Records and Audit) Rules, 2014.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company has approved appointment of, and remuneration payable to, M/s. K. G. Goyal & Associates, Cost Accountants (Firm Registration No. 000024) as the Cost Auditor of the Company to audit the cost records for FY 2024-25.

## RISK MANAGEMENT FRAMEWORK

Your Company has constituted a Risk Management Committee (RMC) as per the statutory requirement. The Company has formulated a Risk Management Policy and has in place a mechanism to inform the Board Members about risk assessment. The Risk Management Committee undertakes risk assessment and minimization procedures and recommend the same to the Board of Directors.

During the year under review, the Risk Management Committee was reconstituted on account of changes in board composition. Accordingly, consequent to Mr. Sanjay Dalmia, Executive Director, stepping down from the board (effective March 28, 2024), he continues to serve as a member of the Risk Management Committee in his capacity as Executive Director (non-board position). Additionally, with effect from March 28, 2024, Mr. Narayanan Neelakanteswaran Dy. President (Project Controls) ceased to be a member of the Committee and Dr. Shailendra Raj Mehta, Independent Director, was inducted as a member of the Committee with effect from March 29, 2024. Furthermore, consequent to the cessation of the final term as Independent Director of Mr. Narayan Seshadri, he ceased to be the Chairman of the Risk Management Committee effective March 31, 2024 and Mr. Bimal Tanna, Independent Director, was inducted as the Chairman of the Committee effective April 01, 2024.

The Board periodically reviews Company's Risk Management Frame work taking into consideration the recommendations of the Risk Management Committee and the Audit Committee.

Your Company has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately. Your Company monitors, manages and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's SOP's, organizational structure, management systems, code of conduct, policies and values together govern how your Company conducts its business and manage associated risks. Your Company also has a separate Bribery Risk assessment framework which also defines the key mitigation actions.

The Risk Management framework enables the management to understand the risk environment and assess the specific risks and potential exposure to the Company, determine how to deal best with these risks to manage overall potential exposure, monitor and seek assurance of the effectiveness of the management of these risks and intervene for improvement where necessary and report throughout the organization structure and upto the Risk Management Committee on a periodic basis about how risks are being monitored, managed, assured and improvements are made.

More details in respect to the risk management are given in the section on Management Discussion and Analysis forming part of this Annual Report.

## PARTICULARS OF REMUNERATION

A. The ratio of the remuneration of each director to the median employees' remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 ('the Act') read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, are forming part of this report as **Annexure C1**.

B. In terms of the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said Annexure is open for inspection at the Registered office of your Company. Any member interested in obtaining copy of the same may write to the Company Secretary.

## PERFORMANCE EVALUATION

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own, the Non-Independent and Independent Directors individually as well as the evaluation of the working of various Committees at their Meetings held on 08th May, 2024 in the manner prescribed in the performance evaluation policy. While doing performance evaluation of Independent Directors, the Director being evaluated had not participated.

The evaluation of the Independent Directors were made on the basis of attendance at the meetings of the Board, Committees and General Meeting, knowledge about the latest developments, contribution in the Board development processes, participation in the Meetings and events outside Board meetings, expression of views in best interest of the Company, assistance given in protecting the legitimate interests of the Company, employees and investors, extending individual proficiency and experience for effective functioning and operation of the Company etc.

The criteria for performance evaluation and the statement indicating the manner in which formal annual evaluation of the Board, its Committees and of individual Directors has been made are also reproduced in the **"Report on Corporate Governance"**, which forms part of this Report.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

Your Company's policy on remuneration for the Directors', Key Managerial Personnel and other employees is placed on website of the Company at https://kalpataruprojects.com/api/view-file/Policy-on-Remuneration-for-Directors-KMPs-and-Other-Employees.pdf. This Policy is directed towards establishing reasonable and sufficient level of remuneration to attract, retain and motivate Directors & employees of the quality required to run the Company successfully. This Policy is in consonance with existing industry practice. There has been no change in the said Policy during the year under review.

Your Company's policy on Directors' appointment including criteria for determining qualifications, positive attributes, independence of a director is placed on the website of the Company at https://kalpataruprojects.com/api/view-file/Corporate%20Governance_policies%20&%20Guidelines_Policy%20on%20Directors%20Appointment%20including%20criteria%20for%20determining%20Qualifications.%20Positive%20Attributes.pdf. This Policy sets out the guiding principles for the Nomination and Remuneration Committee to identify persons who are eligible to be appointed as Directors and to determine the independence of a candidate at the time of considering his/her appointment as an Independent Director of the Company. The Policy also provides for the criteria and qualification in evaluating the suitability for appointment as Director and in Senior Management that are relevant for the Company's operations. There has been no change in the said Policy during the year under review.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Information required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure D** and forms part of this Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company is in compliance with the provisions of Section 186 of the Companies Act, 2013. The particulars of loans given, investments made, guarantees given and securities provided are given in the Standalone Financial Statements (Please refer to Note No. 37 to the Standalone Financial Statements).

## ANNUAL RETURN

The Annual Return of the Company as on March 31, 2024 is available on the website of Company i.e. https://kalpataruprojects.com/investors/investor-information/annual-return

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Your Company takes prior omnibus approval from the Audit Committee for related party transactions which are of repetitive nature and/or entered in the ordinary course of business and are at an arm's length basis.

There has been no change in the Related Party Transactions Policy during the year under review. The policy on materiality of Related Party Transactions is uploaded on the website of your Company and the link for the same is provided in the **'Report on Corporate Governance'**. There were no materially significant related party transactions which could have potential conflict with the interest of the Company at large.

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Attention of Members is drawn to the disclosure of transactions with related parties set out in Note No. 40 of the Standalone Financial Statements, forming part of the Annual Report.

## DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance towards any action of any executive which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every women working in your Company. The Anti Sexual Harassment Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company received one complaint during the year under review which was satisfactorily resolved. There were no complaints pending as on the beginning and end of the financial year.

## ANTI-BRIBERY MANAGEMENT SYSTEM

As an organization, your Company places a great importance in the way business is conducted and the way each employee performs his/her duties. Your Company encourages transparency in all its operations, responsibility for delivery of results, accountability for the outcomes of actions, participation in ethical business practices and being responsive to the needs of our people and society. Towards this end, your Company has laid down a Kalpataru Code of Conduct ("KCoC") applicable to all the employees of your Company. The Code provides for the matters related to governance, compliance, ethics and other matters. Your Company has adopted strong anti-bribery anti-corruption policy and practices and has also been certified with ISO 37001 for establishing Anti Bribery Management System in respect of certain business areas.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

Pursuant to requirement under Section 134(3)(c) of the Companies Act, 2013 ('the Act'), your Directors' confirm that:

(a) in the preparation of the annual accounts for the year ended on March 31, 2024, the applicable accounting standards have been followed and there are no material departures from the same;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they had prepared the annual accounts on a going concern basis;

(e) they, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2023-24.

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

## SECRETARIAL STANDARDS

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

## DISCLOSURE OF PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There were two proceedings initiated / pending against the Company during the year under review, filed under the provisions of Section 9 of the Insolvency and Bankruptcy Code, 2016, in aggregate involving about INR 4.6 Crores. Both the matters were disposed / dismissed, in favour of the Company, during the year under review.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme or any stock options scheme.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- The Statutory, Secretarial and Cost Auditors have not reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's report.
- There has been no change in the nature of business of the Company.
- There is no proceeding pending under The Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any bank or financial institution.

## ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all the government and regulatory authorities, financial institutions, banks, debenture holders and debenture trustee, JV partners, consortium partners, customers, vendors, suppliers, sub-contractors and members and all other stakeholders for their valuable continuous support.

The Board of Directors wish to place on record its sincere appreciation for the committed and loyal services rendered by the Company's executives, staff and workers. Your Directors also appreciate and acknowledge the confidence reposed in them by members of the Company.

**On behalf of the Board of Directors**

**Mofatraj P. Munot**
Non-Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 08, 2024

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# Annexure A

**to Board's Report**

## THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

**Kalpataru Projects International Limited CSR Policy**

Kalpataru Projects International Limited ("KPIL") has always been at the forefront of CSR. The provisions of the Companies Act, 2013 have made it imperative to institutionalize the CSR activities. The objective of your Company's CSR policy is to lay down the guiding principles for proper functioning of CSR activities to attain sustainable development of the society around the area of operations of the Company. Your Company's social responsibility policy focuses on using the capabilities of business to improve lives and contribute to sustainable living, through contributions to local communities and society at large.

The Company undertook various socially relevant activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. Apart from long term ongoing projects, the Company supported and implemented projects aligned to its CSR Policy in the field of healthcare (including preventive, promotive & curative), promoting education, skill training & sustainable livelihood, animal Welfare, environment & rural development amongst others.

The CSR Policy of the Company is available on the Company's website https://kalpataruprojects.com/api/view-file/Corporate%20Governance_policies%20&%20Guidelines_CSR%20Policy.pdf

### 2. COMPOSITION OF THE CSR COMMITTEE (As at March 31, 2024):

| Sr. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Sajjanraj Mehta*# | Chairman / Independent Director | 3 | 3 |
| 2. | Mr. Mofatraj P. Munot | Member / Non-Executive – Promoter | 3 | 3 |
| 3. | Mr. Parag M. Munot | Member / Non-Executive – Promoter | 3 | 3 |
| 4. | Mr. Manish Mohnot | Member / Managing Director & CEO | 3 | 3 |

*Mr. Sajjanraj Mehta ceased to be Chairman of the CSR Committee with effect from March 31, 2024 on account of completion of his second and final term as on Independent Director of the Company.

#Dr. Shailendra Raj Mehta has been appointed as Chairman of the CSR Committee with effect from April 01, 2024

### 3. WEBLINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

https://kalpataruprojects.com/CSR-page.html

### 4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF PPLICABLE: Not Applicable

5. a) **Average net profit of the Company as per sub-section (5) of section 135 of the Act:** ₹ 453.54 Crores

   b) **Two percent of average net profit of the Company as per sub-section (5) of section 135 of the Act:** ₹ 9.07 Crores

   c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   d) **Amount required to be set-off for the financial year, if any:** Nil

   e) **Total CSR obligation for the financial year (b+c-d):** ₹ 9.07 Crores

6. a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 9.07 Crores

   b) **Amount spent in Administrative Overheads:** ₹ 0.45 Crores

   c) **Amount spent on Impact Assessment, if applicable:** Nil

   d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 9.52 Crores

**e) CSR amount spent or unspent for the Financial Year:**

| Total Amount Spent for the Financial Year. (in ₹ Crores) | Amount Unspent (in ₹ Crores) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 6.53 | 2.99 | 24.04.2024 | N.A. | | |

**f) Excess amount for set-off, if any:**

| Sr. No. | Particular | Amount (in ₹ Crores) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 of the Act | 9.07 |
| (ii) | Total amount spent for the Financial Year* | 9.52 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 0.45 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | Nil |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 0.45 |

*Including administrative cost accounted in respective heads.

## 7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEAR(S):

| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 of the Act (in Lakhs) | Balance Amount in Unspent CSR Account under sub- section (6) of section 135 of the Act (in Lakhs) | Amount Spent in the Financial Year (in Lakhs) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135 of the Act, if any | | Amount remaining to be spent in succeeding Financial Years (in Lakhs) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in Lakhs) | Date of transfer | | |
| 1 | FY2020-21 | 7.51 | 0.61 | 0.61 | Nil | Nil | Nil | Nil |
| 2 | FY2021-22 | 2.42 | 1.38 | 1.03 | Nil | Nil | 0.35 | Nil |
| 3 | FY2022-23 | 1.46 | 1.46 | 1.46 | Nil | Nil | Nil | Nil |

The above figures are combined figures of KPIL and Erstwhile JMC.

## 8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

[√] Yes [ ] No

If Yes, enter the number of Capital assets created/ acquired: 78

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**Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR Amount spent (₹) | Details of Company/ Authority/beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 1 | Digital Smart Class | Multiple locations | Feb-Mar'24 | 39,16,925 | N.A. | Various beneficiary Schools | Karnataka, Tamil Nadu, Andhra Pradesh, West Bengal, Maharashtra, Rajasthan, Telangana, Odisha |
| 2 | Mini Science Centre | Multiple locations | Feb-Mar'24 | 76,52,890 | N.A. | Various beneficiary Schools | Odisha, Maharashtra, Jharkhand, Chhattisgarh, Uttar Pradesh, Himachal Pradesh, Assam |

**Note:** Details of capital assets of less than ₹ 25 lakh is made available on the website at

https://kalpataruprojects.com/CSR-page.html

**9. SPECIFY THE REASONS, IN CASE, THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):**

The Company is executing certain multiyear Ongoing Projects. Due to such Ongoing Projects and plan of spending funds in multi years, the Company was not able to spend two per cent of the average net profit as per section 135(5) in the current financial year. In respect of Unspent CSR funds, the Company has deposited the Budgeted amount in the separate bank account.

Date : May 08, 2024
Place: Mumbai

**Manish Mohnot**
Managing Director and CEO
(DIN: 01229696)

**Dr. Shailendra Raj Mehta**
Chairman CSR Committee
(DIN: 02132246)

# Annexure B
**to Board's Report**

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT
### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**Kalpataru Projects International Limited**
CIN: L40100GJ1981PLC004281
Plot 101, Part - III,
GIDC Estate, Sector - 28,
Gandhinagar,
Gujarat- 382028.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kalpataru Projects International Limited** (Formerly known as Kalpataru Power Transmission Limited) (hereinafter called the Company) for the financial year ended on March 31, 2024. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 and made available to me, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(during the year under review not applicable to the Company)**;

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(during the year under review not applicable to the Company)**;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(during the year under review not applicable to the Company)**;

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g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(during the year under review not applicable to the Company)**;

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(during the year under review not applicable to the Company)**; and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:

(i) *Secretarial Standards (SS-1 and SS-2) issued by The Institute* of Company Secretaries of India; and

(ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The management has identified and confirmed the following laws as being specifically applicable to the Company:

(a) The Electricity Act, 2003, the Central Electricity Authority Regulations and the Rajasthan Electricity Regulatory Commission Regulations.

(b) The Indian Boilers Act, 1923 and rules framed there under.

I further report that, having regard to the compliance system prevailing in the Company and on the examination of relevant documents and records on test check basis the Company has complied with above mentioned specific laws and regulations.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the board were unanimous and no dissenting views have been recorded.

I further report that, based on review of compliance mechanism established by the Company and on the basis of Compliance Certificates issued by the Managing Director & CEO and Company Secretary of the Company and taken on record by the Board of Directors at their meetings, I am of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period the company had the following specific event/action having major bearing on the company's affairs in pursuance to above referred laws, rules, regulations, guidelines, standards, etc.:

(i) The Company has changed its name from Kalpataru Power Transmission Limited to Kalpataru Projects International Limited with the approval of members and the Registrar of Companies, Gujarat and Dadra & Nagar Haveli. It has further made consequential alteration in the Memorandum of Association and Articles of Association of the Company due to the said change of name.

(ii) Company has allotted 8.07% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹ 300 Crores.

(iii) Company has redeemed due portion of 9.80% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) amounting to ₹ 25 Crores.

(iv) Company has redeemed 9.95% Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) amounting to ₹ 75 Crore.

(v) Company has allotted 8.25% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹ 150 Crores.

(vi) Company has redeemed due portion of 9.80% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) amounting to ₹ 25 Crores.

(vii) Company has redeemed due portion of 6.15% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) amounting to ₹ 100 Crores.

(viii) Company has allotted 8.32% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹ 150 Crores.

**Urmil Ved**
Practicing Company Secretary
(ICSI Unique Code I1996GJ080100)
FCS No. 8094, COP No. 2521
Peer Review Cert. No.: 597/2019
ICSI UDIN: F008094F000334167

Date: 08/05/2024
Place: Gandhinagar

**Note:** This report is to be read with my letter of even date which is annexed as Annexure-A and forms an integral part of this report.

# Annexure-A

To,
The Members,
**Kalpataru Projects International Limited**
CIN: L40100GJ1981PLC004281
Plot 101, Part - III,
GIDC Estate, Sector - 28,
Gandhinagar,
Gujarat- 382028.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record, device proper systems to ensure compliance with the provisions of all applicable laws, rules and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have conducted the Audit as per applicable Auditing Standards issued by the Institute of Company Secretaries of India.

4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test check basis.

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Urmil Ved**
Practicing Company Secretary
(ICSI Unique Code I1996GJ080100)
FCS No. 8094, COP No. 2521
Peer Review Cert. No.: 597/2019
ICSI UDIN: F008094F000334167

Date: 08/05/2024
Place: Gandhinagar

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# Annexure C1

**to Board's Report**

**INFORMATION PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 are as under:**

| Sr. No. | Name of Director/KMP and Designation | % change in Remuneration in the Financial Year 2023-24 | Ratio of remuneration of each Director to median remuneration of employees |
|---|---|---|---|
| 1. | Mr. Mofatraj P. Munot *Non-Executive Chairman* | -1.84% | 21.33 |
| 2. | Mr. Parag M. Munot *Promoter Director* | -6.85% | 30.80 |
| 3. | Mr. Sajjanraj Mehta *Independent Director* | 6.73% | 14.80 |
| 4. | Mr. Vimal Bhandari *Independent Director* | 27.27% | 14.93 |
| 5. | Mr. Narayan K Seshadri *Independent Director* | 27.78% | 15.33 |
| 6. | Dr. Shailendra Raj Mehta *Independent Director* | 200% | 7.20 |
| 7. | Ms. Anjali Seth *Independent Director* | 54.29% | 7.20 |
| 8. | Mr. Manish Mohnot *Managing Director & CEO* | 52.98% | 253.33 |
| 9. | Mr. Shailendra K. Tripathi *Dy. Managing Director* | 22.32@% | 114.00 |
| 10. | Mr. Sanjay Dalmia# *Executive Director* | 53.45% | 80.00 |
| 11. | Mr. Ram Patodia *Chief Financial Officer* | 9.41% | |
| 12. | Ms. Shweta Girotra *Company Secretary* | $ | |

@The details arrived considering remuneration paid to Mr. Shailendra Kumar Tripathi for FY 2022-23 by the Company as well as erstwhile JMC Projects (India) Limited, which is now amalgamated with the Company.

#.Mr. Sanjay Dalmia, Executive Director, continues to drive the international operations of the Company but has stepped down from the board (effective from March 28, 2024) due to the regulatory requirements for composition of the board and accordingly, his designation will continue as Executive Director (non-board position). The details represent his remuneration for the entire FY 2023-24.

$ Not comparable as Ms. Shweta Girotra, appointed as Company Secretary w.e.f. November 10, 2022. She joined the Company w.e.f. September 30, 2022.

ii) The median remuneration of employees of the Company during the financial year under review was ₹ 7.50 lakhs

iii) Percentage increase in the median remuneration of employees in the financial year: 4.75%

iv) There were 8,428 permanent employees on the rolls of Company as on March 31, 2024.

v) Average annual percentage increase in the remuneration of employees other than the managerial personnel in the financial year 2023-24 was 9.30%.

vi) Average annual percentage increase in the remuneration of the Managerial Personnel was 43.87% on account of enhanced responsibilities due to merger of the major subsidiary, significant growth, order inflows and business performance.

vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

**On behalf of the Board of Directors**

**Mofatraj P. Munot**
Non-Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 08, 2024

# Annexure D

**to Board's Report**

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

### (A) CONSERVATION OF ENERGY-

**(i) The steps taken or impact on conservation of energy:**

At KPIL, we are committed for making continuous efforts in conserving energy in line with our sustainability strategy. To achieve this, we continue to undertake energy conservation initiatives within our operations. Our most significant initiatives during FY 2023-24 are listed below.

a. At Raipur Plant, your Company has implemented below initiatives:

- The 1250 KVA transformer was replaced with a new energy-efficient level 1 transformer equipped with OLTC capability which has led to reduction in energy losses by 4.08 kWh.
- Installation of a catalyst converter in the galvanizing furnace to decrease gas consumption by 4%

b. At Gandhinagar manufacturing Plant, your Company has implemented below initiatives:

- Energy efficient hydraulic systems installed on CNC machines,
- Battery operated Forklift has been commissioned replacing Diesel operated Hydras,
- Enhanced use of fuel catalyst to improve calorific value of PNG gas by about 4%,
- Motion sensor technology adopted for lighting to save electricity when not in use,
- New technology motor for CNC Machine to reduce power consumption,
- Effective use of hot water from Quenching tank used as heating media for incoming tower parts for galvanizing, and
- Veg based oil was used instead of mineral oil as Cutting oil during the Drilling process, thereby reducing the environment impact and also helping improve quality of galvanizing

c. KPIL has installed 57 fuel catalysts in fuel-intensive P&M (fuel guzzlers). Fuel Catalyst improves combustion, and enables better fuel efficiency. It has helped us to reduce fuel consumption by around 8% leading to further reduction of $CO_2e$ emission.

d. At the Biomass Plant:

- Your Company replaced energy efficient pumps at its plant in Uniara for raw water transfer from Dam to plant, in the month of November 2023 approximately saving 9572 units upto 31 March, 2024
- Your company replaced few petrol bikes with e-bikes.
- Your company carried hydrogeological, hydrology, rain water harvesting survey at Uniara Plant and rain water harvesting structure having potential of 7900 KL per year has been constructed.

e. At Buildings & Factories business,

- BLDC or Brushless direct current motor Fans have been installed at sites and worker housing. Unlike traditional fans, BLDC fans use electronic commutation to control the speed of the motor, resulting in energy savings of up to 65% compared to conventional fans.
- 2055 KLD Sewage Treatment facility has been installed at site worker housing locations which enabled the use of around 1050 KLD treated water for various construction activities, dust suppuration, wheel wash system and etc.
- 4 Crore litre of rain-harvested water was stored in the pond at IIT Tirupati Project for its reuse in various construction activities.

f. In Oil & Gas business, your Company (i) has replaced certain excavator with new excavator powered by commonrail engine which has reduced fuel consumption by 15% and increased efficiency by 30%, (ii) has replaced conventional SMAW inverter based welding machines with semi-automatic welding machine which helped to save 25% of energy consumption (about 7 MW), (iii) Various fuel catalyst installed which reduced the aggregate fuel consumption by about 7-10% at different locations saving in about 22,065 Litres of fuel, (iv) Digital radiography machine(s) were added which saves energy by 20%. Further, by doing padding activity using screening cum crushing bucket, the Company has achieved energy saving of about 245 MW.

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g. In the T&D business,

- Your Company on its path of achieving Carbon neutrality has completed inventory recording and verification of baseline carbon footprint for the year under review from reputed third party auditors and they have issued an opinion statement of verification, after rigorous audit. The Company will now actively monitor the emission levels for achieving its ESG goals.
- Your Company has reduced water wastage by more than 13,500 litres through various initiatives including rainwater harvesting, recollection and reuse of water, dust suppression and plantation watering by recycled water, etc.
- Your Company achieved reduction in the number of freight container trips required for transportation of materials to overseas location by optimizing the contents and increasing per container tonnage, thereby saving cost and reducing fuel emissions.

h. At Biomass Power Plants, the Company has utilized about 18% additional Biomass fuels apart from regularly used Mustard Crop Residue (MCR) during the year under review.

**(ii) The steps taken by the Company for utilizing alternate sources of energy:**

- Your Company in its pursuit of further continuing the drive of installing solar power panels for transitioning to renewable energy, significantly reducing our reliance on non-renewable sources and reducing carbon emissions across projects, has installed 377 kW of solar panels across 37 sites, considering local conditions, which has resulted in reduction of about 375 MT of CO2e emission in FY 23-24.
- At Gandhinagar manufacturing Plant, your Company has completed installation of 450 KWp solar plant during FY 24-25 which will reduce carbon foot print annually (of about 374 MT of CO2e) taking total solar capacity to 750 KWp. Your Company is now able to meet 100% contract demand of the plant through such solar plant. At Raipur Plant, your Company has installed and commissioned solar panels of 1350kwp for shop and utility work.
- In the TLI business, your Company has reduced fuel consumption through solar energy usage by saving more than 7700 liters of fuel consumption.
- In the Building and Factories business, your Company installed more than 2376 numbers of Solar Lights for illuminating project sites. These lights are fitted with auto switch off system.

**(iii) The capital investment on energy conservation equipment: ₹ 10.58 Crores.**

## (B) TECHNOLOGY ABSORPTION

**(i) The efforts made towards technology absorption and achieved benefits like product improvement, cost reduction, product development or import substitution**

- **Kalpa-Gyaan:** KPIL's in-house developed **Knowledge Management platform**, accessible on web and mobile, serves as a digital library for project related documents, fostering innovation and streamlined project execution. The platform features auto-list generation, keyword searches and strict access controls, covering drone videos of projects, best practices, and immersive training materials. It ensures centralized access to project data, enhancing decision-making and operational efficiency. Promoting seamless collaboration and continuous learning, the platform significantly boosts productivity and nurtures a culture of innovation, thereby enhancing KPIL's competitive advantage and operational effectiveness.
- Your Company leveraged **VR technology** in 21 immersive safety-training modules across 17 languages, enhancing workplace safety for its global workforce. Engaging over 7,000 workers at 50 sites, this initiative bridges language barriers, improves knowledge retention, and fosters safety awareness, setting a new standard in organizational safety education.
- Your Company has created a **Digital PMO** which features a 3X2, 55-inch video wall with controller and software for real-time project management. It helps to review project data from company's ERP and other 3rd party vendor data sources, enhancing decision-making and efficiency.
- Your Company's **3D Cloud Platform** integrates GIS and drone technology for advanced survey data management, supporting 50+ projects with 100+ users including internal teams & clients. It enables 3D analysis and project tracking without any requirement of customized special software. Its role-based access, easy data retrieval, and visualization capabilities transform project management and stakeholder communication.

- Taking its journey of centralized **Telematics Dashboard to monitor equipment utilization** and fuel consumption, way further, your Company has completed installation of **GPS and Fuel Monitoring Sensors** in more than 3,300+ equipment across multiple Business Units for:

  a. Effective monitoring of P&M utilization

  b. Monitoring usage of fuel with actionable insights

- **Building Information Modeling (BIM):** KPIL's seasoned in-house BIM team, with a decade of multidisciplinary expertise, enhances project lifecycle efficiency in various sectors, significantly reducing time delays and costs.

- **Kaizen initiative called "IDEA" (Innovate, Deliver, Excel, Award)** has further strengthened the culture of Continuous Improvement, inviting employees to contribute innovative ideas for enhancing efficiency across various functions. This has led to significant organizational benefits, including improved operations, heightened employee engagement, and fostering of learning culture. Ideas pertaining to productivity, cost, timeline, quality & safety is a vital step in KPIL's journey towards excellence.

- In T&D business, your Company has, implemented **WhatsApp based NCR & Dashboard analytics** with key features such as just in time reporting of any deviation or area of improvement, inbuilt escalation matrix, record cost of each deviation/rework etc. thereby improving pace of project execution. Further, it has also developed **Tower Dimension Check app, which enables** just in time availability of drawing dimension for verification of location and availability of updated drawing dimension

- At Raipur Plant, your Company has:
  - Prior to commencing production, adopted a Lean manufacturing flow for new products such as scaffolding.
  - Implemented an online bundling conveyor to eliminate losses such as yield loss and reduce lead time.

- At Gandhinagar Plant, your Company has taken various technological advancement initiatives to improve productivity. Key initiatives and its benefits are elaborated hereunder:
  - Introduced Submerged Arc Welding (SAW) as Welding process to meet the unique butterfly design of Transmission Tower. Further, PAUT NDT technique was used to test Welded joints
  - Vertical storage racks for Finished goods integrated with ERP for easy identification and retrieval
  - Conveyorised Bundling system initiated for box packing of tower parts reducing the finished bundle time drastically and eliminating yield loss
  - Digital flow meter installed for monitoring natural resources consumption

**(ii) Research and Development:**

The Company has been continuously putting effort to develop new transmission towers with different challenges. The Company is doing many research activities in the areas of material weight reduction, reduce material handling through practicing Lean methodology, alternate material in consumables, process design, process improvement, inhouse development of material handling equipment's etc.

- **Benefits derived as a result of R & D:**
  - Usage of enhanced technology resulting in better project management (planning, execution) and ease of operations.
  - Improvement in productivity leading to faster project execution.
  - Improved quality and customer experience.
  - Reduction on Operational cost.
  - Ease of operations, thereby improved productivity and costs
  - Expanding our Horizon
- **Future Plan of Action:**
  - Encapsulated fully automated plant for Galvanizing Pre-process
  - Vertical storage for Finished goods & Raw Material with handling automation & ease of identification and retrieval
  - Resource planning integrated with production planning through SAP to enable finite resource planning targeting improved delivery projections & control
  - Gradual transfer from usage of PNG gas for heating to Induction heating

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**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**

| Details of technology imported | Year of Import | Whether the technology been fully absorbed | If not fully absorbed, areas where absorption has not taken place, and the reasons thereof |
|---|---|---|---|
| | | NIL | |

**(iv) the expenditure incurred on Research and Development:**

(₹ in Crores)

| Particulars | 2023-24 |
|---|---|
| Capital Expenditure | 0.20 |
| Revenue Expenditure | 19.48 |
| **Total** | **19.68** |
| Total R&D expenditure as a percentage of total turnover | 0.12% |

## (C) THE FOREIGN EXCHANGE EARNED IN TERMS OF ACTUAL INFLOWS DURING THE YEAR AND THE FOREIGN EXCHANGE OUTGO DURING THE YEAR IN TERMS OF ACTUAL OUTFLOWS.

(₹ in Crores)

| | |
|---|---|
| Foreign Exchange Earnings | 2,402.02 |
| Foreign Exchange Outgo | 771.91 |

**On behalf of the Board of Directors**

**Mofatraj P. Munot**
Non-Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 08, 2024

# Report on Corporate Governance

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the report contains the details of Corporate Governance systems and processes at Kalpataru Projects International Limited (KPIL or the Company).

KPIL's philosophy on Corporate Governance is built on strong foundation of transparency, compliance, ethics, accountability, responsibility, values and trust. At KPIL, Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders. We consider stakeholders as partners in our achievements and remain committed to maximizing stakeholders' value, be it Society at large, Local Communities, Customers, Employees, Suppliers, Trade Unions, NGOs, Investors, Shareholders and Government & Regulatory Authorities.

The epitome of Corporate Governance lies in cherishing and upholding integrity, transparency and accountability in the management's higher stratums. At KPIL, we work towards building an environment of Trust, Transparency and Accountability focusing on the long-term and supporting more inclusive societies. KPIL's essential character revolves around its strong set of core values i.e. Business Ethics, Customer Centricity, Pride, Quality, Respect and Teamwork.

Over the years, we have strengthened governance practices. These practices define the way how business is conducted and value is generated. The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various Committees to discharge its responsibilities in an effective manner.

Towards achievement of this philosophy, KPIL's management systems are certified with ISO 37001:2016. It is a benchmark for corporate compliance program with focus on anti-bribery and anti-corruption practices and is the international standard designed to help organizations implement an anti-bribery management system. We are committed to defining, following and practicing the highest level of corporate governance across all our business functions.

## II. BOARD OF DIRECTORS

### A. Composition of the Board

As on March 31, 2024, the Board of Directors of the Company had 9 Directors, comprising of 7 Non-Executive Directors, 2 Executive Directors including 1 Managing Director & CEO and 1 Dy. Managing Director. Out of 7 Non-Executive Directors, 5 are Independent Directors including 1 Woman Director. No Directors are related to each other except Mr. Mofatraj P. Munot and Mr. Parag M. Munot, who are related as Father and Son, respectively.

The Board structure is in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Sajjanraj Mehta (DIN: 00051497), Mr. Vimal Bhandari (DIN: 00001318) and Mr. Narayan K. Seshadri (DIN: 00053563), Independent Directors of the Company completed their second and final term effective March 31, 2024. The Board placed on record its deep sense of appreciation for the services rendered by them and their invaluable contribution in the growth journey of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. Dhananjay Mungale (DIN: 00007563) and Mr. Bimal Tanna (DIN: 06767157) as Additional Directors designated as Independent Directors for a period of 5 (five) years with effect from April 01, 2024 subject to approval of shareholders of the Company. The approval of the Shareholders vide Special Resolution is being sought by the Company vide its Postal Ballot Notice dated April 08, 2024.

Mr. Sanjay Dalmia (DIN: 03469908), Executive Director, continues to drive the international operations of the Company. He stepped down from the board (effective from March 28, 2024) due to the regulatory requirements for composition of the board and accordingly, his designation continues as Executive Director (non-board position).

Effective from April 01, 2024, the Board of Directors of the Company has 8 Directors, comprising of 6 Non-Executive Directors, 2 Executive Directors including 1 Managing Director & CEO and 1 Dy. Managing Director. Out of 6 Non-Executive Directors, 4 are Independent Directors including 1 Woman Director.

None of the Directors of the Company is on the Board of more than 7 Indian listed companies including as an Independent Director. Further, none of the Directors of the Company is acting as a Whole Time Director / Managing Director of any listed Company as well as Independent Director in more than 3 listed companies. None of the Directors of the Company is a Member

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of more than 10 Committees and no Director is the Chairperson of more than 5 Committees across all public limited Indian Companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors. For the purpose of determination of limit, Chairpersonship and Membership of the Audit Committee and the Stakeholders' Relationship Committee alone have been considered.

## B. Meetings of Board of Directors

During the year ended March 31, 2024, the Board met 5 times on May 08, 2023, August 11, 2023, November 02, 2023, February 07, 2024 and March 27, 2024. The maximum time gap between any two meetings was 96 days. All Information as required under Regulation 17 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board of Directors. The Company has complied with the provisions of Secretarial Standards on Board Meetings (SS-1) issued by The Institute of Company Secretaries of India with respect to convening of Board Meetings during the year. During the year, all the recommendations of the Committees were accepted by the Board.

## C. Directorship held and Directors' attendance

The names of the other listed Indian entities where Directors of the Company hold Directorships and the category of directorship held in such listed entity as on March 31, 2024# are as under:

| Name of the Directors | Name of other Listed Entity where Director of KPIL is a Director | Category of Directorship held in such Listed entity |
|---|---|---|
| Mr. Mofatraj P. Munot | NIL | - |
| Mr. Parag M. Munot | NIL | - |
| Mr. Sajjanraj Mehta@ | NIL | - |
| Mr. Vimal Bhandari@ | (1) DCM Shriram Ltd. | Independent Director |
| | (2) JK Tyre & Industries Ltd. | Independent Director |
| | (3) Bharat Forge Ltd. | Independent Director |
| | (4) Escorts Kubota Ltd. | Independent Director |
| Mr. Narayan K. Seshadri@ | (1) Astrazeneca Pharma India Ltd. | Independent Director |
| | (2) PI Industries Ltd. | Non-Executive Non-Independent Director |
| | (3) SBI Life Insurance Company Ltd. | Independent Director |
| | (4) Max Healthcare Institute Limited | Non-Executive Non-Independent Director |
| | (5) TVS Supply Chain Solutions Limited | Independent Director |
| Ms. Anjali Seth | (1) Endurance Technologies Ltd. | Independent Director |
| | (2) Centrum Capital Ltd. | Independent Director |
| | (3) Nirlon Limited | Independent Director |
| Dr. Shailendra Raj Mehta | (1) Poly Medicure Ltd. | Independent Director |
| Mr. Manish Mohnot | NIL | - |
| Mr. Shailendra Kumar Tripathi | NIL | - |
| Mr. Sanjay Dalmia* | NIL | - |
| Mr. Dhananjay Mungale# | (1) Mahindra & Mahindra Financial Services Limited | Independent Director |
| | (2) Tamilnadu Petroproducts Limited | Independent Director |
| | (3) NOCIL Limited | Independent Director |
| | (4) Mahindra Logistics Limited | Independent Director |
| | (5) NGL Fine-Chem Limited | Independent Director |
| Mr. Bimal Tanna# | (1) Jio Financial Services Limited | Independent Director |

@ Mr. Sajjanraj Mehta, Mr. Vimal Bhandari and Mr. Narayan K. Seshadri completed their second and final term as Independent Directors effective March 31, 2024.

*Mr. Sanjay Dalmia stepped down from the Board effective from March 28, 2024.

#Mr. Dhananjay Mungale and Mr. Bimal Tanna were appointed as Additional Directors designated as Independent Directors with effect from April 01, 2024 subject to approval of shareholders of the Company. The details given above are as on April 01, 2024.

The name and category of Directors on the Board of KPIL, their attendance at the Board meetings held during the year and also at the last Annual General Meeting, the number of Directorships and Committee positions held by them in other Indian Companies as on March 31, 2024[$] are given below:

| Name of the Directors | Category | Attendance at | | No. of | | |
|---|---|---|---|---|---|---|
| | | Board Meetings | Last AGM | Other Director-ship[#] | Other Committee Chairpersonship* | Other Committee Membership* |
| Mr. Mofatraj P. Munot | Non-Executive Chairman (Promoter) | 4 | Yes | 13 | - | - |
| Mr. Parag M. Munot | Non-Executive (Promoter) | 4 | Yes | 16 | - | 2 |
| Mr. Sajjanraj Mehta[@] | Independent Director | 4 | Yes | 1 | - | - |
| Mr. Vimal Bhandari[@] | Independent Director | 5 | Yes | 8 | 2 | 5 |
| Mr. Narayan K. Seshadri[@] | Independent Director | 5 | Yes | 15 | 3 | 6 |
| Ms. Anjali Seth | Independent Woman Director | 4 | Yes | 5 | 3 | 5 |
| Dr. Shailendra Raj Mehta | Independent Director | 4 | Yes | 4 | - | 1 |
| Mr. Manish Mohnot | Managing Director & CEO | 5 | Yes | 5 | - | - |
| Mr. Shailendra Kumar Tripathi | Dy. Managing Director | 5 | Yes | - | - | - |
| Mr. Sanjay Dalmia[%] | Executive Director | 3 | Yes | - | - | - |
| Mr. Dhananjay Mungale[$] | Independent Director | N.A. | N.A. | 11 | 4 | 8 |
| Mr. Bimal Tanna[$] | Independent Director | N.A. | N.A. | 4 | 2 | 3 |

[#]Including Private Limited Companies and Section 8 Company.

*Represents Membership/Chairpersonship of Audit Committee & Stakeholders' Relationship Committee of public limited companies only. Further, Chairpersonship of Audit Committee & Stakeholders' Relationship Committee held in public limited companies has been counted in calculation of Membership.

[@]Mr. Sajjanraj Mehta, Mr. Vimal Bhandari and Mr. Narayan K. Seshadri completed their second and final term as Independent Directors effective March 31, 2024.

[%]Mr. Sanjay Dalmia stepped down from the Board effective from March 28, 2024.

[$]Mr. Dhananjay Mungale and Mr. Bimal Tanna were appointed as Additional Directors designated as Independent Directors with effect from April 01, 2024 subject to approval of shareholders of the Company. The details given above are as on April 01, 2024.

## D. Separate meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Independent Directors of the Company met once during the year, without the attendance of Non-Independent Directors and Members of the Management.

The Independent Directors reviewed performance of Non-Independent Directors, Chairman of the Company and the performance of the Board as a whole. The Independent Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The feedback of the Meeting was shared with the Chairman of the Company.

## E. Confirmation of Independence

In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time-to-time and are independent of the management.

The Company has received declarations from all the Independent Directors of the Company confirming that:

a) they meet the criteria of independence prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

b) they have registered their names in the Independent Directors' Databank.

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## F. Directors' Profile

In case of appointment or re-appointment of Director(s), a brief resume of Director(s), nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, company names in which they hold Directorships, Memberships/ Chairmanships of Board Committees along with name of listed entities from which they have resigned in the past three years and shareholding in the Company are provided in the Notice of the Annual General Meeting annexed to this Annual Report.

## G. Code of Conduct

The Board has laid down code of conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at https://kalpataruprojects.com/api/view-file/Code-of-Conduct-August.pdf

All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director & CEO confirming the compliance of the Code of Conduct as required under Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained and is given below:

**DECLARATION**

All Board Members and Senior Management Personnel have, for the year ended March 31, 2024 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Kalpataru Projects International Limited**

Place: Mumbai **Manish Mohnot**
Date: May 08, 2024 Managing Director & CEO

# III. Audit Committee:

As on March 31, 2024, the Audit Committee comprised 4 Directors out of whom 3 are Independent Directors including the Chairman of the Committee.

The Company is in compliance with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of the Audit Committee.

The Audit Committee has the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, as it considers necessary.

The role and responsibilities of the Committee include the perusal and review of information specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, *inter-alia* including the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices & reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion (s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings & follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Additionally, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor
- Statement of deviations:
  a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

The Committee met 6 times during the year on May 08, 2023, August 11, 2023, November 02, 2023, November 30, 2023, February 07, 2024 and February 26, 2024. The attendance of Members at the Meetings were as follows:

| Name of Member | Category | Status | No. of Meetings attended /held |
|---|---|---|---|
| Mr. Sajjanraj Mehta* | Independent Director | Chairman | 6/6 |
| Mr. Mofatraj P. Munot | Non-Executive-Chairman | Member | 5/6 |
| Mr. Vimal Bhandari@ | Independent Director | Member | 6/6 |
| Mr. Narayan K. Seshadri@ | Independent Director | Member | 6/6 |

*Mr. Sajjanraj Mehta completed his second and final term as Independent Director effective March 31, 2024 and consequently, ceased to be a Chairman of the Audit Committee.

@ Mr. Vimal Bhandari and Mr. Narayan K. Seshadri completed their second and final term as Independent Directors effective March 31, 2024 and consequently, ceased to be Members of the Audit Committee.

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The Managing Director & CEO, Chief Financial Officer, representatives of Statutory Auditors and Internal Auditors are the regular invitees to the Committee Meetings. The Internal Auditors directly reports to the Audit Committee. Other Directors and executives including SBG Heads are invited as and when required. The Cost Auditor is invited to attend the Audit Committee meeting when cost audit report is discussed. Ms. Shweta Girotra, Company Secretary of the Company is the Secretary of the Committee.

The Audit Committee has reviewed management discussion and analysis of financial condition and results of operations and other information as mentioned in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

The Chairman of the then constituted Audit Committee was present at the last Annual General Meeting of the Company held on July 17, 2023.

With effect from April 01, 2024, the Audit Committee has been reconstituted by addition of Mr. Dhananjay Mungale, Independent Director as Chairman, Mr. Bimal Tanna and Ms. Anjali Seth, Independent Directors as Members of the Committee. Accordingly, the composition of the Audit Committee with effect from April 01, 2024 is as under:

| Name of Member | Category | Status |
|---|---|---|
| Mr. Dhananjay Mungale | Independent Director | Chairman |
| Mr. Mofatraj P. Munot | Non-Executive-Chairman | Member |
| Mr. Bimal Tanna | Independent Director | Member |
| Ms. Anjali Seth | Independent Director | Member |

## IV. NOMINATION AND REMUNERATION COMMITTEE:

As on March 31, 2024, the Nomination and Remuneration Committee comprised 3 Directors out of which 2 are Independent Directors and 1 is Non-Executive Director. The Chairman of the Committee is an Independent Director.

The composition of the Committee adheres to the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The role of the Nomination and Remuneration Committee as specified in Part D of the Schedule II, *inter-alia* includes following:

1. To formulate criteria for determining qualification, positive attributes & Independence of director and recommend to Board a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees;

2. For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description;

   For the purpose of identifying suitable candidates, the Committee may:

   - use the services of an external agencies, if required;
   - consider candidates from a wide range of backgrounds, having due regard to diversity; and
   - consider the time commitments of the candidates.

3. To formulate criteria for evaluation of performance of Independent Directors and the Board of Directors.

4. To devise a policy on diversity of Board of Directors;

5. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

7. Recommend to the board, all remuneration, in whatever form, payable to senior management;

8. To perform any other functions as may be assigned to Committee by the Board from time to time.

The Committee met 3 times during the year on May 06, 2023, February 07, 2024 and March 27, 2024. The attendance of Members at the Meeting is as follows:

| Name of Member | Category | Status | No. of Meetings attended /held |
|---|---|---|---|
| Mr. Vimal Bhandari* | Independent Director | Chairman | 3/3 |
| Mr. Sajjanraj Mehta@ | Independent Director | Member | 2/3 |
| Mr. Parag M. Munot | Non-Executive Director | Member | 3/3 |

*Mr. Vimal Bhandari completed his second and final term as Independent Director effective March 31, 2024 and consequently, ceased to be a Chairman of the Nomination and Remuneration Committee.

@Mr. Sajjanraj Mehta completed his second and final term as Independent Director effective March 31, 2024 and consequently, ceased to be a Member of the Nomination and Remuneration Committee.

The Chairman of the then constituted Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on July 17, 2023.

With effect from April 01, 2024, the Nomination and Remuneration Committee has been reconstituted by addition of Mr. Dhananjay Mungale, Independent Director as Chairman of the Committee and Ms. Anjali Seth, Independent Director as Member of the Committee. Accordingly, the composition of Nomination and Remuneration Committee with effect from April 01, 2024 is as under:

| Name of Member | Category | Status |
|---|---|---|
| Mr. Dhananjay Mungale | Independent Director | Chairman |
| Ms. Anjali Seth | Independent Director | Member |
| Mr. Parag M. Munot | Non-Executive Director | Member |

## Performance Evaluation

The Board has prepared the performance evaluation policy for evaluating performance of Individual Directors including Chairman of the Company, Board as a whole and its Committees thereof. The criteria of the Board evaluation includes Board composition, talent, experience and knowledge, presentations and discussions at the Board meeting, frequency of the Board meetings, feedback and suggestions given to the management, participation in the discussion etc.

The performance evaluation for the financial year 2023-24 was conducted through a structured questionnaire prepared based on the criteria for evaluation laid down by the Nomination and Remuneration Committee.

The Independent Directors met on May 06, 2023 to review the performance of Non-Independent Directors including the Chairman and the performance of the Board as a whole as mandated by Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The feedback of the meeting was shared with the Board of Directors of the Company. The Directors also discussed about the quality, quantity and timeliness of flow of information between the Company management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own, the Non-Independent and Independent Directors individually as well as the evaluation of the working of various Committees at their Meeting held on May 08, 2024 in the manner prescribed in the performance evaluation policy. While evaluating performance of Independent Directors, the Director being evaluated had not participated.

The evaluation of the Independent Directors were made on the basis of attendance at the meetings of the Board, Committees and General Meeting, knowledge about the latest developments, contribution in the Board development processes, participation in the meetings and events outside Board meetings, expression of views in best interest of the Company, assistance given in protecting the legitimate interests of the Company, employees and investors, extending individual proficiency and experience for effective functioning and operation of the Company etc.

## Succession Planning

The Company believes that sound succession plans for the senior leadership are very critical for a robust future of the Company. The Nomination and Remuneration Committee and the Board of Directors of the Company on a periodic basis reviews the structured succession plan for senior leadership.

## Director's Remuneration

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employee is available on the website of your Company https://kalpataruprojects.com/api/view-file/Policy-on-Remuneration-for-Directors-KMPs-and-Other-Employees.pdf. There has been no change in the policy since the last financial year. The Remuneration Policy is in consonance with the existing industry practice.

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Remuneration paid or payable to Managing Director & CEO, Dy. Managing Director and Executive Director for the FY 2023-24 is as under:

(₹ in Crores)

| Name of Director | Salary and allowances | Perquisites | Contribution to PF & SA | Commission / Incentive | Total | Stock Options |
|---|---|---|---|---|---|---|
| Mr. Manish Mohnot | 4.82* | 0.01 | 0.24 | 14.00 | 19.07 | None |
| Mr. Shailendra Kumar Tripathi | 3.41* | 0.01 | 0.19 | 5.00 | 8.61 | None |
| Mr. Sanjay Dalmia@ | 3.14* | 0.01 | 0.16 | 2.75 | 6.06 | None |

*includes leave encashment

@Mr. Sanjay Dalmia stepped down from the Board effective from March 28, 2024.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the each Executive Director.

The remuneration of Executive Directors is governed by the Agreement executed between the respective Director and the Company. The contractual agreement with Mr. Manish Mohnot, Managing Director & CEO and Mr. Shailendra Kumar Tripathi, Dy. Managing Director can be terminated by either party giving 6 months' prior notice. None of the managerial personnel is entitled for any severance pay.

In terms of agreement/re-appointment terms approved by members, commission / incentive to Mr. Manish Mohnot, Managing Director & CEO, Mr. Shailendra Kumar Tripathi, Dy. Managing Director and Mr. Sanjay Dalmia, Executive Director is decided annually by Board of Directors on recommendation of Nomination and Remuneration Committee.

Sitting Fees and Commission on net profit paid or payable to Non-Executive Directors for the Financial Year 2023-24 is as under:

(₹ in Crores)

| Name of Director | Sitting Fees | Commission | Total |
|---|---|---|---|
| Mr. Mofatraj P. Munot | 0.10 | 1.50 | 1.60 |
| Mr. Parag M. Munot | 0.06 | 2.25 | 2.31 |
| Mr. Sajjanraj Mehta | 0.11 | 1.00 | 1.11 |
| Mr. Vimal Bhandari | 0.12 | 1.00 | 1.12 |
| Mr. Narayan K. Seshadri | 0.15 | 1.00 | 1.15 |
| Ms. Anjali Seth | 0.04 | 0.50 | 0.54 |
| Dr. Shailendra Raj Mehta | 0.04 | 0.50 | 0.54 |

Commission is paid to the Non-Executive Directors on the basis of qualifications, experience, attendance at the meetings, time spent on strategic matters and contribution to the Company, financial performance and net worth of the Company, Order book position, track record of operational performance, performance evaluation of Board etc.

The Board of Directors of the Company approved payment of commission during the year to the Director(s) who were not in Whole-Time employment of the Company in recognition of their performance during FY 2023-24 not exceeding in aggregate 1% of net profits for the FY 2023-24, calculated under Section 198 of the Companies Act, 2013.

Information of Directors as on March 31, 2024# is as under:-

| Name | Age | Designation | Date of initial appointment | Shares held |
|---|---|---|---|---|
| Mr. Mofatraj P. Munot | 79 | Non-Executive Chairman | May 02, 2022 | 1,63,43,218 |
| Mr. Parag M. Munot | 54 | Non-Executive Director | September 30,1991 | 6,39,331 |
| Mr. Sajjanraj Mehta@ | 72 | Independent Director | July 25,1998 | 10,000 |
| Mr. Vimal Bhandari@ | 65 | Independent Director | June 28, 2002 | Nil |
| Mr. Narayan K. Seshadri@ | 66 | Independent Director | January 29, 2007 | Nil |
| Ms. Anjali Seth | 65 | Independent Director | March 28, 2015 | Nil |
| Dr. Shailendra Raj Mehta | 64 | Independent Director | August 03, 2021 | Nil |

| Name | Age | Designation | Date of initial appointment | Shares held |
|---|---|---|---|---|
| Mr. Manish Mohnot | 51 | Managing Director & CEO | November 01, 2006 | Nil |
| Mr. Shailendra Kumar Tripathi | 59 | Dy. Managing Director | January 04, 2023 | Nil |
| Mr. Sanjay Dalmia* | 61 | Executive Director | August 08, 2018 | 28,600 |
| Mr. Dhananjay Mungale# | 70 | Independent Director | April 01, 2024 | Nil |
| Mr. Bimal Tanna# | 61 | Independent Director | April 01, 2024 | Nil |

@ Mr. Sajjanraj Mehta, Mr. Vimal Bhandari and Mr. Narayan K. Seshadri completed their second and final term as Independent Directors effective March 31, 2024.

* Mr. Sanjay Dalmia stepped down from the Board effective from March 28, 2024.

# Mr. Dhananjay Mungale and Mr. Bimal Tanna were appointed as Additional Directors designated as Independent Directors with effect from April 01, 2024 subject to approval of shareholders of the Company. The details given above are as on April 01, 2024.

There is no pecuniary relationship or transaction of the Company with any Non-Executive Director other than the payment of sitting fees and remuneration, including commission, as given herein above. The Company has not granted any stock options to its Non-Executive Directors. All related party transactions are disclosed in notes to accounts.

**Senior Management:**

As on March 31, 2024, following are Senior Management Personnel(s) of the Company:

| Sr. No. | Name | Designation |
|---|---|---|
| 1 | Mr. Sanjay Dalmia* | Executive Director |
| 2 | Mr. Amit Uplenchwar | Director –Strategy Business Group |
| 3 | Mr. Kamal Jain | Director (Integrity) and Chief Ethics Officer |
| 4 | Mr. Ramesh Bhootra | Director, (Subsidiaries & BD –TLI) |
| 5 | Mr. Ram Patodia | Chief Financial Officer |
| 6 | Mr. M.A. Baraiya | Chief Human Resource Officer |
| 7 | Mr. G.L. Gupta | Chief Procurement Officer |
| 8 | Mr. Saugata Basu | Chief Digital and Information Officer |
| 9 | Mr. O. P. Pandey | Head, Water Supply and Irrigation business |
| 10 | Mr. Shanthakumar G.M. | Head, Buildings & Factories (South India) business |
| 11 | Mr. A. H. Khan | Head, Urban Infrastructure business |
| 12 | Mr. S Sadashivam | Head, Buildings & Factories (North, East & West India) business |
| 13 | Mr. Hitendra Pooniwala | Head, T&D International business |
| 14 | Mr. Nagender Kaushal | Head, BD International (TLI) business |
| 15 | Mr. Rajeev Dalela | Head, T&D India & SAARC |
| 16 | Mr. Gyan Prakash# | Head, Oil & Gas business |
| 17 | Mr. Jitendra Kumar Jain | Head, Railway business |
| 18 | Mr. Kumardevan Srinivasan | Head, Manufacturing Plants |
| 19 | Ms. Shweta Girotra | Company Secretary |
| 20 | Mr. Rajesh Kanade | Head, Civil International business |
| 21 | Mr. P P Pillai# | Senior Vice President - Projects |

* Mr. Sanjay Dalmia, Executive Director, stepped down from the board effective from March 28, 2024. However, he continues as Executive Director (non-board position)

# ceased to be Senior Management Personnel of the Company during the year under review and upto date of this report.

## V. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

As on March 31, 2024, the Stakeholders Relationship Committee comprised 3 Directors out of which 1 is Independent Director, 1 is Non-Executive Director and 1 is Managing Director and CEO. The Committee is chaired by an Independent Director. The Committee comprised Ms. Anjali Seth, Mr. Parag M. Munot and Mr. Manish Mohnot. This composition of the Committee is in conformity with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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The role of the Committee *inter-alia* includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee met one time during the year on November 02, 2023 and the attendance of members at the Meeting was as follows:

| Name of Member | Category | Status | No. of Meetings attended / held |
|---|---|---|---|
| Ms. Anjali Seth | Independent Director | Chairperson | 1/1 |
| Mr. Manish Mohnot | Managing Director & CEO | Member | 1/1 |
| Mr. Parag M. Munot | Non-Executive Director | Member | 1/1 |

The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on July 17, 2023.

Ms. Shweta Girotra, Company Secretary is the Compliance Officer of the Company.

| | |
|---|---|
| Investor Complaints at the beginning of the year | NIL |
| Investor Complaints received during the year | 2 |
| Investor Complaints resolved during the year | 2 |
| Investor Complaints pending at the end of the year | NIL |

All the complaints have been resolved to the satisfaction of the complainants.

The Board has delegated the powers to attend various requests of shareholders including issuance of entitlement letters, transmission, issue of letter of confirmation after split/consolidation/renewal etc., to a Share Transfer Committee which comprises Mr. Parag M. Munot, Mr. Manish Mohnot and Mr. Ram Patodia. The Committee met 7 times during the year.

## VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As on March 31, 2024, the CSR Committee comprised 4 Directors out of which Chairman is an Independent Director.

The terms of reference of Committee broadly comprises following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which includes the activities to be undertaken by the Company, in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the CSR Policy of the Company from time to time;
- Formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy.

The Committee met 3 times during the year on May 08, 2023, November 02, 2023 and February 07, 2024. The composition of the CSR Committee and the attendance of Members at the Meeting were as follows:

| Name of Member | Category | Status | No. of Meetings attended / held |
|---|---|---|---|
| Mr. Sajjanraj Mehta* | Independent Director | Chairman | 3/3 |
| Mr. Mofatraj P. Munot | Non-Executive – Chairman | Member | 3/3 |
| Mr. Parag M. Munot | Non-Executive Director | Member | 3/3 |
| Mr. Manish Mohnot | Managing Director & CEO | Member | 3/3 |

*Mr. Sajjanraj Mehta completed his second and final term as Independent Director effective March 31, 2024 and consequently, ceased to be a Chairman of the CSR Committee.

With effect from April 01, 2024, the CSR Committee has been reconstituted by addition of Dr. Shailendra Raj Mehta, Independent Director as Chairman of the Committee. Accordingly, the composition of CSR Committee with effect from April 01, 2024 is as under:

| Name of Member | Category | Status |
|---|---|---|
| Dr. Shailendra Raj Mehta | Independent Director | Chairman |
| Mr. Mofatraj P. Munot | Non-Executive – Chairman | Member |
| Mr. Parag M. Munot | Non-Executive Director | Member |
| Mr. Manish Mohnot | Managing Director & CEO | Member |

## VII. RISK MANAGEMENT COMMITTEE:

The Company has constituted Risk Management Committee in compliance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2024, the Committee comprised 7 members including 4 Directors. Further, the Chairman of the Risk Management Committee is an Independent Director.

The Role and Responsibilities of the Risk Management Committee are as under:

- To formulate a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of *risk management systems*;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

The Committee met 4 times during the year on May 04, 2023, October 16, 2023, February 26, 2024 and March 11, 2024. The composition of the Risk Management Committee as on March 31, 2024 and the attendance of Members at the Meeting were as follows:

| Name of Member | Category | Status | No. of Meetings attended / held |
|---|---|---|---|
| Mr. Narayan K. Seshadri | Independent Director | Chairman | 4/4 |
| Dr. Shailendra Raj Mehta[¶] | Independent Director | Member | - |
| Mr. Manish Mohnot | Managing Director & CEO | Member | 4/4 |
| Mr. Shailendra Kumar Tripathi[&] | Deputy Managing Director | Member | 2/3 |
| Mr. Sanjay Dalmia[@] | Executive Director | Member | 4/4 |
| Mr. Sanjay Dalmia[@] | Executive Director (Non-board position) | Member | - |
| Mr. Amit Uplenchwar[&] | Director (Strategy Business Group) | Member | 3/3 |
| Mr. Ram Patodia | Chief Financial Officer | Member | 4/4 |
| Mr. Kamal Jain[*] | Director (Integrity) & Chief Ethics Officer | Member | 0/1 |
| Mr. Narayanan Neelakanteswaran[$] | Deputy President (Project Controls) | Member | 3/3 |

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| Name of Member | Category | Status | No. of Meetings attended / held |
|---|---|---|---|
| Mr. Narayanan Neelakanteswaran[$] | Deputy President (Project Controls) | Permanent Invitee Member without voting rights | - |
| Mr. Hardik Hundia[%] | Sr. Vice President | Permanent Invitee Member without voting rights | 3/3 |

[#] Inducted as a Member of the Committee effective from March 29, 2024.

[&] Inducted as a Member of the Committee effective from May 08, 2023.

[@] Mr. Sanjay Dalmia Executive Director, stepped down from the board (effective from March, 28, 2024). However, he is continuing as Executive Director (non-board position). Accordingly, he is continuing as a Member of the Committee in the capacity of Executive Director (non-board position).

[*] Ceased to be a member w.e.f. May 08, 2023.

[$] Inducted as a Member of the Committee effective from May 08, 2023. Ceased to be a member of the Committee effective from March 28, 2024 and he is acting as Permanent Invitee Member of the Committee without voting rights w.e.f. March 29, 2024.

[%] Acting as Permanent Invitee Member of the Committee without voting rights w.e.f. May 08, 2023.

The Board of Directors at its meeting held on May 08, 2023 had reconstituted the Risk Management Committee of the Company by inclusion of Mr. Shailendra Kumar Tripathi, Dy. Managing Director, Mr. Amit Uplenchwar, Director-Strategy Business Group and Mr. Narayanan Neelakanteswaran, Dy. President (Project Controls) as members of Risk Management Committee and Mr. Kamal Jain ceased to be a member of the Committee. Further, it was decided to induct Mr. Hardik Hundia, Senior Vice President, Directors Office as Permanent Invitee Member of the Committee without voting rights.

As Mr. Sanjay Dalmia stepped down from the board effective from March 28, 2024 and is continuing as Executive Director (non-board position), he is acting as a Member of the Risk Management Committee in the capacity of Executive Director (non-board position) effective from March 29, 2024. Mr. Narayanan Neelakanteswaran, Dy. President (Project Controls) ceased to be a member of the Committee effective from March 28, 2024 and he is acting as Permanent Invitee Member of the Committee without voting rights effective from March 29, 2024. Further, Dr. Shailendra Raj Mehta, Independent Director was inducted as a Member of the Committee effective from March 29, 2024.

As tenure of Mr. Narayan Seshadri, Independent Director & Chairman of the Risk Management Committee concluded on March 31, 2024, Mr. Bimal Tanna, Independent Director was inducted as Chairman of the Risk Management Committee effective from April 01, 2024.

Accordingly, the composition of Risk Management Committee with effect from April 01, 2024 is as under:

| Name of Member | Category | Status |
|---|---|---|
| Mr. Bimal Tanna | Independent Director | Chairman |
| Dr. Shailendra Raj Mehta | Independent Director | Member |
| Mr. Manish Mohnot | Managing Director & CEO | Member |
| Mr. Shailendra Kumar Tripathi | Dy. Managing Director | Member |
| Mr. Sanjay Dalmia | Executive Director (non-board position) | Member |
| Mr. Amit Uplenchwar | Director – Strategy Business Group | Member |
| Mr. Ram Patodia | CFO | Member |
| Mr. Narayanan Neelakanteswaran | Dy. President (Project Controls) | Permanent Invitee Member without voting rights |
| Mr. Hardik Hundia | Senior Vice President, Directors Office | Permanent Invitee Member without voting rights |

## VIII. SUBSIDIARY COMPANIES:

As on March 31, 2024, the Company had 24 Direct and Indirect subsidiaries and 1 Joint Venture Company.

The List of Subsidiary and Joint Venture Companies of the Company, is available on the website i.e. https://kalpataruprojects.com/investors/investor-information/investor-information

Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

There is no subsidiary which qualifies the test of material subsidiary. Accordingly, the requirement of having an independent director of the Company on the Board of unlisted material subsidiary company did not attract during the year under review.

There is no material unlisted subsidiary of the Company and hence the Company is not required to annex Secretarial Audit Report of unlisted subsidiaries.

The minutes of Board Meetings of unlisted subsidiary companies are being placed before the Board of Directors of the Company from time to time. All significant transactions and arrangements entered into by the unlisted subsidiaries of the Company are also placed for consideration of the Audit Committee. The Audit Committee also reviews the financial statements and in particular, the investments, if any, made by unlisted subsidiaries of the Company. Further, the Company management makes regular presentations to the Board on business performance of major subsidiaries of the Company. The other requirements of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

The Company has formulated a policy for determining 'material' subsidiaries, and such policy has been disclosed on the Company's website https://kalpataruprojects.com/api/view-file/Policy-for-Material-Subsidiary-April.pdf

## IX. GENERAL BODY MEETING / POSTAL BALLOT(S):

**a. The details of last 3 Annual General Meetings (AGMs) of the Company and special resolution(s) passed thereat, are as follows:**

| Financial Year | Date | Time | Venue | Special Resolution(s) passed |
|---|---|---|---|---|
| 2022-23 | July 17, 2023 | 11:00 a.m. | AGM was held through Video Conferencing pursuant to the MCA circulars | No Special Resolution was passed in this meeting |
| 2021-22 | August 04, 2022 | 11:00 a.m. | | No Special Resolution was passed in this meeting |
| 2020-21 | July 15, 2021 | 2:00 p.m. | | (i) Re-appointment of, and remuneration payable to, Mr. Sanjay Dalmia (DIN: 03469908) as an Executive Director of the Company |

**Meeting convened by Hon'ble National Company Law Tribunal:**

In accordance with the order dated August 03, 2022 passed by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench, the Company convened meeting of its equity shareholders on September 06, 2022 at 12:15 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations, to consider and approve Scheme of Amalgamation of JMC Projects (India) Limited with the Company and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Resolution was passed with requisite majority.

**b. Details of resolution passed through postal ballot during Financial Year 2023-24 and details of the voting pattern**

During the year under review, the Company sought approval of shareholders through postal ballot as under:

| | |
|---|---|
| **Date of Postal Ballot Notice: April 10, 2023** | **Voting Period: April 15, 2023 to May 14, 2023** |
| **Date of declaration of result: May 15, 2023** | **Date of approval: May 14, 2023** |

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| Resolution | No. of votes polled | No. of votes cast in favor | No. of votes cast against | % of votes cast in favor | % of votes cast against |
|---|---|---|---|---|---|
| Approval for change of name of the Company from Kalpataru Power Transmission Limited to Kalpataru Projects International Limited and consequential alteration of the Memorandum of Association and Articles of Association of the Company. (Special Resolution) | 14,25,82,072 | 14,25,81,617 | 455 | 100.00% | 0.00% |

Mr. Urmil Ved, Practising Company Secretary was appointed as Scrutinizer to scrutinize remote e-voting process in a fair and transparent manner for the above postal ballot.

**Procedure for Postal Ballot**

The postal ballot was conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, ('Rules'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The MCA permitted companies to transact items through postal ballot as per the framework set out in General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 05, 2022, 11/2022 dated December 28, 2022 and other relevant circulars and notifications issued in this regards. In accordance with the aforementioned circulars, e-voting facility was provided to all the shareholders to cast their votes only through the remote e-voting process. The postal ballot notice was sent to shareholders as per the permitted mode. The Company also published notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

Shareholders holding equity shares as on the cut-off date casted their votes through e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submitted his report to the Chairman or person authorized by him and the results of voting by postal ballot were announced within 2 working days of conclusion of the voting period. The results were displayed at the Registered Office of the Company, on the website of the Company (www.kalpataruprojects.com) & CDSL and communicated to the Stock Exchanges, where the shares of the Company are listed. The resolution, that was passed by the requisite majority, was deemed to have been passed on the last date of e-voting.

**Future Proposal**

The Company vide its Postal Ballot Notice dated April 08, 2024 has proposed to pass Special Resolution:

(i) To appoint Mr. Dhananjay Mungale (DIN: 00007563) as an Independent Director of the Company for a period of 5 years commencing from April 01, 2024; and

(ii) To appoint Mr. Bimal Tanna (DIN: 06767157) as an Independent Director of the Company for a period of 5 years commencing from April 01, 2024.

The e-voting period commenced on April 18, 2024 and ends on May 17, 2024.

Mr. Urmil Ved, Practising Company Secretary is appointed as Scrutinizer to scrutinize remote e-voting process in a fair and transparent manner for the above postal ballot. The Scrutiniser will submit his report to the Chairman or any authorised person of the Company and the results of the Postal Ballot will be announced on or before May 22, 2024.

The resolution(s), if passed with requisite majority by the Members through Postal Ballot shall be deemed to be passed on the last date of the voting period i.e. May 17, 2024.

## X. DISCLOSURES:

**a) Management Discussion and Analysis**

Annual Report has a detailed report on Management Discussion and Analysis.

**b) Related Party Transactions**

The Company's major related party transactions are generally with its subsidiaries and Joint Venture Company. All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract/arrangement/transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which could have potential conflict with the interest of Company at large.

The Company has received declarations from Senior Management Personnel that there was no material, financial and commercial transactions, where they have

personal interest that may have a potential conflict with the interest of the Company at large.

The Company has formulated a policy on dealing with Related Party Transactions, such policy has been disclosed on the Company's website https://kalpataruprojects.com/api/view-file/RPT-Policy_Amendment-01042022_Final.pdf

**c) Accounting treatment**

The Company has followed accounting treatment as prescribed in Indian Accounting Standards applicable to the Company.

**d) Compliance**

There have been no non-compliance by the Company with respect to any matter related to capital markets nor any penalty or stricture was imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**e) Whistle Blower Policy (Vigil Mechanism)**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a vigil mechanism (whistle-blower policy) under which the employees, vendors and persons having business dealing with the Company are free to report violations of applicable laws and regulations and the Code of Conduct of the Company. The reportable matters may be disclosed to the Chief Ethics Officer and Anti Bribery Management System Committee which operates under the supervision of the Audit Committee. Further, the functioning of the vigil mechanism is being monitored by the Audit Committee from time to time. The whistle blower may also report violations to the Chairman of the Audit Committee in exceptional cases. During the year, no employee/person was denied access to the Audit Committee.

The Whistle Blower Policy has been disclosed on the Company's website https://kalpataruprojects.com/api/view-file/Whistle-Blower-Policy-November-2021.pdf

**f) Familiarization programme for Independent Directors**

The Company has familiarized its Independent Directors regarding the Company, and its policies, their roles, rights and responsibilities etc. Presentations are made by senior personnel of the Company to the Independent Directors covering nature of Industry, business model, business performance and operations, challenges & opportunities available etc. Certain programmes are merged with the Board/Committee meetings for the convenience of the directors. Separate programs are conducted for them as per their requirement. Over and above specific Familiarization Programmes, presentations were made at the Board meetings by MD & CEO / Dy. MD / CFO covering performance of peers, market guidance, operational review of major operating subsidiaries, forex and commodity exposure, movement of capital employed, strategic and operational risks/challenges and its mitigation plan, business performance, operations, working capital management, major litigations, major achievements, Goal 2025 and looking beyond Goal 2025 for sustainable growth, KPIL Values, ESG parameters, Anti Bribery Management System, update on various amendments in laws/regulations etc.

Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions. The details of Familiarisation Programme for Independent Directors have been disclosed on the Company's website https://kalpataruprojects.com/api/view-file/Familiarization_Programmes_for_Independent_Directors_till_financial_year_2023-24.pdf

**g) Foreign Exchange Risk and Hedging Activities**

The Company's activities exposes it to the risk of fluctuations in foreign currency exchange rate. The Company has in place a robust risk management framework for monitoring and mitigation of the risk of fluctuations in the currency exchange rates. Such risks are monitored regularly and necessary actions are taken to mitigate them in line with the Risk Management Policy of the Company. The Company enters into forward foreign exchange contracts to hedge the exchange rate risk. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2024 are disclosed in Note No. 42 in Notes to the standalone financial statements.

**h) Commodity Price Risk and Hedging Activities**

The details regarding exposure of the Company to commodity and commodity risks faced throughout the year in terms of SEBI Circular Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is as under:

**1. Risk management policy of the Company with respect to commodities including through hedging**

As a part of broader Risk Management Policy, the Company has a dedicated framework to manage commodity risk. The Company's business is significantly dependent on availability, cost and quality of raw materials and fuels for

202410180060 9

the construction and development of projects undertaken. Commodity items used in the manufacturing and project execution mainly includes steel, zinc, aluminum conductors, copper, reinforcement / structural steel, readymix concrete, pipe and pipe fittings and cement etc. Prices of these are varied due to global economic conditions, supply demand mismatch, competition, production levels, and taxes etc. The Company currently manages such risk through the price escalation clause in some of the Contracts whereby the fluctuation in the input cost is passed on to the Client. In case of firm price contracts, the Company enters into a Commodity Forward Contract to hedge its price risk or pass on back-to-back firm price contract to its vendor/contractor, wherever possible. The Company addresses the risk of fluctuation in commodities which cannot be hedged by building adequate contingencies based on market trends. The Company manages such risk as per its Risk Management Policy and Procedures.

**2. Exposure of the Company to commodity and commodity risks faced by the entity throughout the year**

**A. Total exposure of the Company to commodities in ₹: ~₹ 3,033.51 Crores (only for material commodities)**

**B. Exposure of the Company to various commodities:**

| Commodity Name (material commodity) | Exposure towards the particular commodity (in ₹ Crores) | Exposure in Quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Domestic market | | International market | | |
| | | | OTC | Exchange | OTC | Exchange | |
| Steel | ~1,135.39 | ~MT 2,70,654 | - | - | - | - | - |
| Aluminum | ~1,454.87 | ~MT 69,999 | - | - | 91.42% | - | 91.42% |
| Zinc | ~295.33 | ~MT 12,882 | - | - | 72.00% | - | 72.00% |
| Copper | ~147.92 | ~MT 2,118 | - | - | 72.47% | - | 72.47% |

Note: Above Exposure does not include the Exposure of Variable Price Contracts wherein the fluctuation in the input cost is passed on to the Client.

**C. Commodity risks faced by the Company during the year and how they have been managed:**

Commodities are a significant part of the Direct cost incurred by the Company for its business activities including fabrication of towers and erection of the transmission lines and substation. Further, the Company's business also requires raw material such as reinforcement / structural steel, readymix concrete, pipe and pipe fittings and cement etc., the price fluctuation of which is taken care through general escalation clause based on wholesale price index of materials in the contract with customers. The material commodities for the Company with open exposure are Steel, Aluminum, Zinc and Copper. Thus, movement in the prices of these commodities exposes the Company towards the risks of fluctuations on its profitability. The Company has a robust mechanism to monitor such risks and ensure that the risk of major fluctuations are mitigated. The Risk Management Committee of the Company based on the exposure of the Company and Risk Management Policy recommends the procurement/treasury team for the hedging strategy. The Company uses the future commodities contracts for hedging the prices or passes on back-to-back firm price contract to its vendors, wherever possible. Further, the Company also addresses the risk of fluctuation in prices by building adequate contingencies based on market trends, including for commodities which cannot be hedged (viz. steel).

## i) Matrix containing skills/expertise/competence of the Board of Directors

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of KPIL's business(es) and sector(s) for KPIL to function effectively and those actually available with the Board are as under:

| Skills/ expertise/ competence | Whether available with the Board or not? | Mofatraj P. Munot | Parag M. Munot | Sajjanraj Mehta* | Vimal Bhandari* | Narayan K Seshadri* | Anjali Seth | Dr. Shailendra Raj Mehta | Dhananjay Mungale# | Bimal Tanna# | Manish Mohnot | Sanjay Dalmia@ | Shailendra Kumar Tripathi |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Industry knowledge / experience (EPC Industry)** | | | | | | | | | | | | | |
| Experience | Yes | Yes | Yes | Yes | Yes | Yes | Yes | | | | Yes | Yes | Yes |
| Industry knowledge | Yes | Yes | Yes | Yes | Yes | Yes | Yes | | Yes | Yes | Yes | Yes | Yes |
| Understanding of relevant laws, rules, regulation and policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| International Experience | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Contract management | Yes | Yes | Yes | Yes | Yes | Yes | Yes | | | | Yes | Yes | Yes |
| **Technical skills/ experience** | | | | | | | | | | | | | |
| Accounting and finance | Yes | | Yes | Yes | Yes | Yes | | | Yes | Yes | Yes | Yes | |
| Marketing | Yes | Yes | Yes | | | | | | | | Yes | Yes | Yes |
| Information Technology | Yes | | | | | Yes | | | | | Yes | | Yes |
| Talent Management | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Leadership | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Compliance and risk | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Legal | Yes | Yes | Yes | Yes | Yes | Yes | Yes | | | | Yes | Yes | Yes |
| Business Strategy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **Behavioral competencies** | | | | | | | | | | | | | |
| Integrity and ethical standards | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mentoring abilities | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Interpersonal relations | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

'Mr. Sajjanraj Mehta, Mr. Vimal Bhandari and Mr. Narayan K. Seshadri completed their second and final term as Independent Directors effective March 31, 2024.

#Mr. Dhananjay Mungale and Mr. Bimal Tanna were appointed as Additional Directors designated as Independent Directors with effect from April 01, 2024 subject to approval of shareholders of the Company.

@ Mr. Sanjay Dalmia stepped down from the Board effective from March 28, 2024.

## j) Credit ratings

| Instrument/Facilities | Ratings | | |
|---|---|---|---|
| | CRISIL | CARE Ratings | INDIA Ratings |
| Long term facilities | AA/Stable | AA; Negative | AA/Stable |
| Short term facilities | A1+ | A1+ | A1+ |

There have been no revisions in the credit ratings (except change in outlook by Care Ratings) for debt instruments of the Company during the year under review.

## k) Certificate from a Company Secretary in practice

The Company has obtained a certificate from Mr. Urmil Ved, Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

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## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members,
**Kalpataru Projects International Limited,**
CIN: L40100GJ1981PLC004281
Plot 101, Part - III, GIDC Estate, Sector– 28,
Gandhinagar, Gujarat- 382028.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kalpataru Projects International Limited** (Formerly known as Kalpataru Power Transmission Limited) having CIN L40100GJ1981PLC004281 and having registered office at Plot 101, Part - III, GIDC Estate, Sector-28, Gandhinagar, Gujarat- 382028 (hereinafter referred to as 'the Company') produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment | Date of Cessation |
|---|---|---|---|---|
| 1. | Mr. Mofatraj Pukhraj Munot | 00046905 | 02/05/2022 | - |
| 2. | Mr. Parag Mofatraj Munot | 00136337 | 30/09/1991 | - |
| 3. | Mr. Sajjanraj Mehta | 00051497 | 25/07/1998 | 31/03/2024 |
| 4. | Mr. Vimal Bhandari | 00001318 | 28/06/2002 | 31/03/2024 |
| 5. | Mr. Manish Dashrathmal Mohnot | 01229696 | 01/11/2006 | - |
| 6. | Mr. Narayan Keelveedhi Seshadri | 00053563 | 29/01/2007 | 31/03/2024 |
| 7. | Ms. Anjali Karamnarayan Seth | 05234352 | 28/03/2015 | - |
| 8. | Mr. Sanjay Shivratan Dalmia | 03469908 | 08/08/2018 | 28/03/2024 |
| 9. | Mr. Shailendra Raj Mehta | 02132246 | 03/08/2021 | - |
| 10. | Mr. Shailendra Kumar Tripathi | 03156123 | 04/01/2023 | - |
| 11. | Mr. Dhananjay Narendra Mungale | 00007563 | 01/04/2024 | - |
| 12. | Mr. Bimal Manu Tanna | 06767157 | 01/04/2024 | - |

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Urmil Ved**
Practicing Company Secretary
(ICSI Unique Code I1996GJ080100)
FCS No. 8094, COP No. 2521
Peer Review Cert. No.: 597/2019
ICSI UDIN: F008094F000334222

Date: 08/05/2024
Place: Gandhinagar

### l) Fees paid to Statutory Auditors and network firm/entities

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to B S R & Co. LLP, Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part, are as under:

(₹ in Crores)

| Fees paid to | Amount |
|---|---|
| B S R & Co. LLP (includes Audit fee, certification fees and reimbursement of expenses) | 4.14 |
| Other network entities | - |

### m) Disclosure in relation to Sexual Harassment

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is as under:

| | |
|---|---|
| Number of complaints filed during the financial year | 01 |
| Number of complaints disposed of during the financial year | 01 |
| Number of complaints pending as on end of the financial year | Nil |

**n)** The Company has not issued any shares through preferential allotment or QIP and hence, details of utilisation of funds as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

### o) Disclosure of Loans and advances in the nature of Loans

Neither the Company nor any of its subsidiaries have granted any loans or advances in the nature of loans to firms/companies in which directors of the Company are interested in terms of provisions of Section 184 of the Companies Act, 2013.

### p) Disclosure of certain types of agreements binding listed entities

The Company has not been informed of any agreement which is required to be disclosed under Regulation 30A read with clause 5A of paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### q) Compliance with Large Corporate framework:

The Company has duly complied with the requirement of raising 25% of its incremental borrowings during F.Y. 2022, F.Y. 2023 and F.Y. 2024 respectively by way of issuance of debt securities till March 31, 2024 pursuant to applicable SEBI Circular(s).

## XI. MEANS OF COMMUNICATION:

### a. Financial Results

The Company has furnished Financial Results on a quarterly basis to the Stock Exchanges in the format and within the time period prescribed under Regulation 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company generally publishes its Quarterly Results in Economic Times – English, Jai Hind- Gujarati and Gandhinagar Samachar - Gujarati.

The results of the Company are displayed on its website https://kalpataruprojects.com/investors/financials/quarterly-result/results

The official news releases are being placed on Company's website and simultaneously sent to Stock Exchanges where the shares of the Company are listed.

### b. News, Release, Presentations etc.

Official news, Press releases, Analyst / Investor presentation, conference call transcript etc. are displayed on the website of the Company www.kalpataruprojects.com

### c. Compliance

The Company has regularly submitted its quarterly compliance report to the Stock Exchanges for compliance of requirements of corporate governance under Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with corporate governance requirements specified in Regulation 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with all the applicable mandatory requirements under various Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has obtained a certificate from its Statutory Auditors M/s. B S R & Co. LLP, Chartered Accountants to this

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effect and the same is annexed to this Report. The Company has also complied with certain non-mandatory requirements prescribed in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such that the Company has moved to a regime of financial statements with unmodified opinion including Financial Statements for the year ended March 31, 2024, separate posts of Chairperson and the Managing Director & CEO, Chairperson to be a Non-Executive Director and not related to Managing Director & CEO, direct reporting of Internal Auditor to the Audit Committee etc.

### d. Website

The Company maintains a website www.kalpataruprojects.com which depicts detailed information about the business activities of the Company. It contains a separate dedicated section *namely "Investors" where all information relevant to* members is made available. The achievements and important events taking place in the Company like receipt of major orders are announced through electronic media and posted on the Company's website also. The Company's other press coverage and Analyst / Investor / Corporate presentation is also made available on the website. *All the submissions made by the Company* to Stock Exchanges are also disclosed on the website of the Company. The Annual Report of the Company is also available on the website of the Company https://kalpataruprojects.com/investors/financials/annual-reports/annual-reports in a downloadable form.

## XII. GENERAL SHAREHOLDER INFORMATION:

- **Annual General Meeting and Record Date**

| | | |
|---|---|---|
| Date, time and venue of Annual General Meeting | : | July 15, 2024 at 11:30 a.m. IST<br>The Company is conducting meeting through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) pursuant to the MCA circular dated May 05, 2020 read with relevant circulars, the latest being September 25, 2023 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM. |
| Record Date | : | June 28, 2024 |
| Dividend Payment Date | : | On or before August 13, 2024 |

- **Financial Calendar**

| | | |
|---|---|---|
| Financial Year | : | April 01 to March 31 |

- **Financial Results:**

| | | |
|---|---|---|
| First Quarter Results | : | by August 14, 2024 |
| Half Year Results | : | by November 14, 2024 |
| Third Quarter Results | : | by February 14, 2025 |
| Annual Results | : | by May 30, 2025 |

- **Listing**

At present, the equity shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE). The Non-Convertible Debentures issued by the Company are listed on BSE.

| Name of Stock Exchange | Stock Code | Address |
|---|---|---|
| BSE Limited | 522287 | Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001, Maharashtra, India |
| National Stock Exchange of India Limited | KPIL | 'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India |

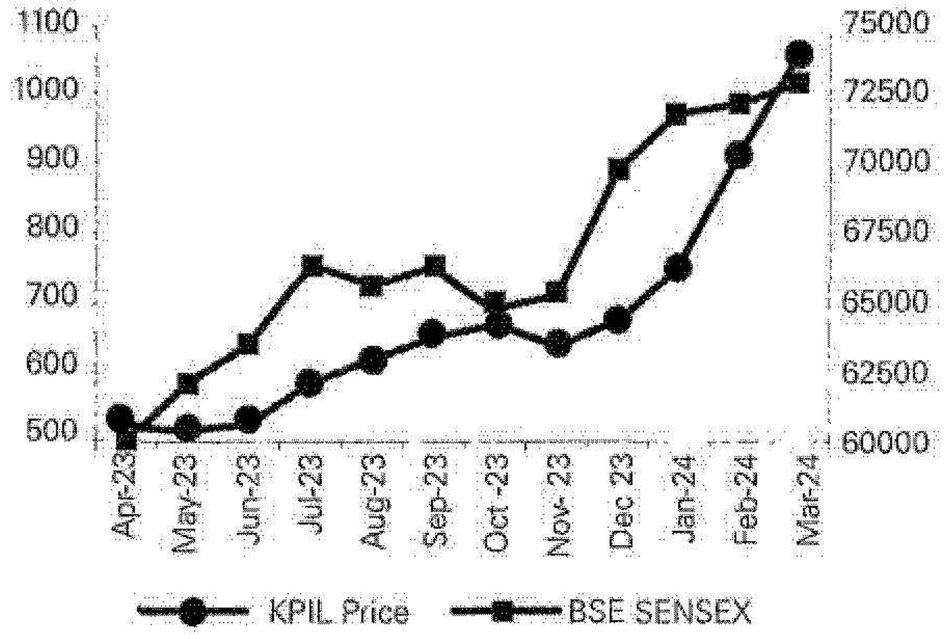
The Company has already paid the listing fees for the year 2024-25 to both the Stock Exchanges.

- ***Stock Market Data***

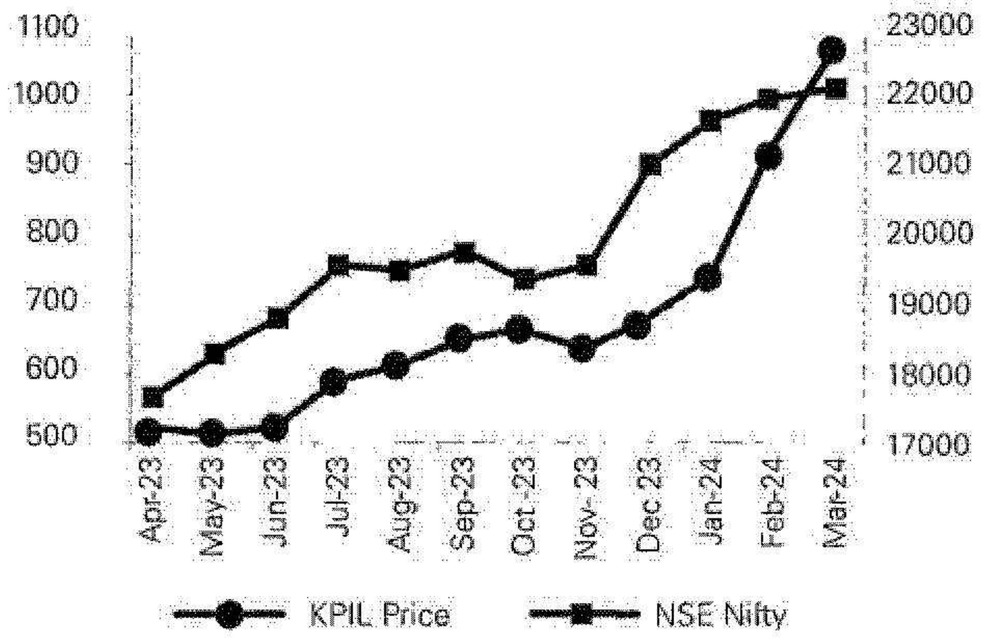
Monthly High and Low price of the Company's shares with a face value of ₹ 2 each for financial year 2023-24 on BSE and NSE are as under:

| Month | BSE Limited | | | | National Stock Exchange of India Limited | | | |
|---|---|---|---|---|---|---|---|---|
| | High Share Price ₹ | Low Share Price ₹ | S&P BSE Sensex during the Month | | High Share Price ₹ | Low Share Price ₹ | Nifty 50 during the Month | |
| | | | High | Low | | | High | Low |
| Apr-23 | 545.45 | 502.05 | 61,209.46 | 58,793.08 | 545.85 | 502.20 | 18,089.15 | 17,312.75 |
| May-23 | 551.30 | 485.00 | 63,036.12 | 61,002.17 | 552.00 | 485.80 | 18,662.45 | 18,042.40 |
| Jun-23 | 549.00 | 510.05 | 64,768.58 | 62,359.14 | 549.10 | 510.00 | 19,201.70 | 18,464.55 |
| Jul-23 | 650.15 | 532.70 | 67,619.17 | 64,836.16 | 649.40 | 538.30 | 19,991.85 | 19,234.40 |
| Aug-23 | 667.00 | 574.30 | 66,658.12 | 64,723.63 | 667.30 | 573.95 | 19,795.60 | 19,223.65 |
| Sep-23 | 687.85 | 616.35 | 67,927.23 | 64,818.37 | 689.90 | 617.10 | 20,222.45 | 19,255.70 |
| Oct-23 | 722.90 | 620.55 | 66,592.16 | 63,092.98 | 723.95 | 626.00 | 19,849.75 | 18,837.85 |
| Nov-23 | 673.50 | 601.25 | 67,069.89 | 63,550.46 | 681.00 | 601.25 | 20,158.70 | 18,973.70 |
| Dec-23 | 729.55 | 628.00 | 72,484.34 | 67,149.07 | 728.75 | 626.95 | 21,801.45 | 20,183.70 |
| Jan-24 | 798.00 | 695.05 | 73,427.59 | 70,001.60 | 798.40 | 694.60 | 22,124.15 | 21,137.20 |
| Feb-24 | 1,043.45 | 791.05 | 73,413.93 | 70,809.84 | 1,041.00 | 790.05 | 22,297.50 | 21,530.20 |
| Mar-24 | 1,161.55 | 957.20 | 74,245.17 | 71,674.42 | 1,163.00 | 956.05 | 22,526.60 | 21,710.20 |

**KPIL's average of high and low Price Comparision with BSE Sensex average of high and low**




**KPIL's average of high and low Price Comparision with NSE Nifty average of high and low**




- **Registrar & Transfer Agent (RTA)**

**Link Intime India Private Limited**

506-508, Amarnath Business Centre -1 Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India

Email: ahmedabad@linkintime.co.in

Tel. & Fax: 91 79 26465179

Website: www.linkintime.co.in

- **Share Transfer System**

The Securities and Exchange Board of India vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form as per applicability, which is available on the website of the Company and RTA.

The Company has obtained a certificate from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate has been submitted to the Stock Exchanges.

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A Company Secretary-in-Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. The Audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

- **Distribution of Shareholding as on March 31, 2024**

| No. of Shares of ₹ 2 each | Members | | No. of Shares held | |
|---|---|---|---|---|
| | Number | % of total | Number | % of total |
| Upto 500 | 74,538 | 95.49 | 41,00,342 | 2.52 |
| 501 – 1,000 | 1,944 | 2.49 | 15,66,844 | 0.96 |
| 1,001 – 2,000 | 705 | 0.90 | 10,56,299 | 0.65 |
| 2,001 – 3,000 | 241 | 0.31 | 6,11,908 | 0.38 |
| 3,001 – 4,000 | 135 | 0.17 | 4,86,324 | 0.30 |
| 4,001 – 5,000 | 82 | 0.11 | 3,80,491 | 0.23 |
| 5,001 – 10,000 | 156 | 0.20 | 11,67,250 | 0.72 |
| 10,001 and above | 257 | 0.33 | 15,30,76,694 | 94.24 |
| **Total** | **78,058** | **100.00** | **16,24,46,152** | **100.00** |

- **Shareholding Pattern as on March 31, 2024**

| Sr. No. | Category | No. of Shares held | % of Shares held |
|---|---|---|---|
| **A** | **Promoter & Promoter Group Holding :** | | |
| 1 | Promoter | 16,982,549 | 10.45 |
| 2 | Promoter Group | 48,956,891 | 30.14 |
| **B** | **Non-Promoter's Holding :** | | |
| **1** | **Institutions** | | |
| | Mutual Funds | 66,212,126 | 40.76 |
| | Alternate Investment Funds | 1,685,410 | 1.04 |
| | Foreign Portfolio Investors | 13,275,047 | 8.17 |
| | NBFCs registered with RBI | 1,276 | 0.00 |
| | Insurance Companies | 2,987,265 | 1.84 |
| **2** | **Non-Institutions** | | |
| | Directors and their relatives (excluding independent directors and nominee directors) | 2,297 | 0.00 |
| | Investor Education and Protection Fund (IEPF) | 1,88,446 | 0.12 |
| | Individuals | 93,67,506 | 5.77 |
| | Bodies Corporate | 9,06,822 | 0.56 |
| | NRIs | 14,50,479 | 0.89 |
| | Others | 4,30,038 | 0.26 |
| | **Total** | **162,446,152** | **100%** |

* Out of above, Promoter & Promoter group have pledged 2,07,80,234 Equity Shares constituting 31.51% of their holding in the Company and 12.79% of total equity of the Company.

- **Details of Unclaimed shares**

**(I) Unclaimed Securities Suspense Account**

Erstwhile JMC Projects (India) Limited (E-JMC) had transferred shares to Unclaimed Securities Suspense Account and against which shares of KPIL were allotted on January 16, 2023, pursuant to the Scheme of Amalgamation of E-JMC with the Company.

(a) Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year: 55 shareholders holding total 10,518 equity shares of the Company

(b) Number of shareholders who approached listed entity and to whom shares were transferred from Suspense Account during the year: 1 shareholder holding 125 equity shares of the Company

(c) Aggregate number of shareholders and the outstanding shares in the Suspense

Account lying at the end of the year: 54 shareholders holding total 10,393 equity shares of the Company

(d) The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**(II) Amalgamation Account**

Consequent upon the Scheme of Amalgamation coming into effect, the shareholders of E-JMC who held E-JMC shares in physical form were allotted KPIL shares in demat form which were transferred to an escrow demat account namely, Amalgamation Account.

(a) Aggregate number of shareholders and the outstanding shares in the Escrow Demat Account lying at the beginning of the year: 216 shareholders holding total 47,486 equity shares of the Company

(b) Number of shareholders who approached listed entity and to whom shares were transferred from Escrow Demat Account during the year: 10 shareholders holding total 4737 equity shares of the Company

(c) Aggregate number of shareholders and the outstanding shares in the Escrow Demat Account lying at the end of the year: 206 shareholders holding total 42,749 equity shares of the Company

(d) The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

- **Dematerialization of Shares and Liquidity**

99.78% Shares are in demat form as on March 31, 2024

ISIN No. (For Dematerialized Shares) INE220B01022

The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

- **Outstanding GDRs / ADRs / Warrants Convertible Instruments**

The Company has no GDRs/ADRs/Warrants/Convertible Instruments outstanding as on March 31, 2024.

- **Transfer of Unpaid / Unclaimed amounts to Investor Education and Protection Fund (IEPF)**

Pursuant to provisions of Companies Act, 2013, dividends which remain unclaimed / unpaid over a period of seven years are required to be transferred by the Company to the IEPF constituted by the Central Government.

Following are the details of dividends declared by the Company and their respective due dates of transfer to the IEPF if they remains unclaimed by the Members.

| Dividend for the year | Date of declaration of Dividend | Last date upto which members are entitled to claim the dividend |
|---|---|---|
| 2016-17 | August 11, 2017 | September 13, 2024 |
| 2017-18 | August 7, 2018 | September 8, 2025 |
| 2018-19 | July 30, 2019 | August 29, 2026 |
| Interim Dividend 2019-20 | March 4, 2020 | April 3, 2027 |
| Interim Dividend 2020-21 | February 13, 2021 | March 14, 2028 |
| 2020-21 | July 15, 2021 | August 16, 2028 |
| 2021-22 | August 4, 2022 | September 5, 2029 |
| 2022-23 | July 17, 2023 | August 17, 2030 |

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Following are the details of dividends declared by erstwhile JMC Projects (India) Limited (E-JMC) (since amalgamated with the Company) and their respective due dates of transfer to the IEPF if it remains unclaimed by the Members.

| Dividend for the year | Date of declaration of Dividend | Last date upto which members are entitled to claim the dividend |
|---|---|---|
| 2016-17 | August 10, 2017 | September 13, 2024 |
| 2017-18 | August 6, 2018 | September 9, 2025 |
| 2018-19 | July 29, 2019 | August 31, 2026 |
| 2019-20 | August 11, 2020 | September 11, 2027 |
| 2020-21 | July 14, 2021 | August 16, 2028 |
| 2021-22 | August 3, 2022 | September 5, 2029 |

During the year under review, the Company has credited unclaimed/unpaid dividend for the year 2015-16 amounting to ₹ 5.67 Lakhs (including ₹ 93,989 transferred pertaining to E-JMC) to the Investor Education and Protection Fund (IEPF) pursuant to applicable provisions of Companies Act, 2013.

During the year under review, in accordance with the provisions of Companies Act, 2013 the Company has transferred 4,462 equity shares (including 764 equity shares transferred pertaining to E-JMC shareholders) of ₹ 2/- each, to the credit of IEPF Authority, in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Company's website (www.kalpataruprojects.com), as also on the website of IEPF Authority (www.iepf.gov.in).

Further, in accordance with the IEPF Rules, the Board of Directors have appointed Ms. Shweta Girotra as Nodal Officer of the Company and Mr. Krunal Shah as Deputy Nodal Officer of the Company for the purposes of verification of claims of shareholders pertaining to shares transferred to IEPF and / or refund of dividend from IEPF Authority and for coordination with IEPF Authority. The details of the Nodal Officer and Deputy Nodal Officer are available on the website of the Company.

- **Debenture Trustees**

| Sl. No. | Type of Debentures | Details of Debenture Trustee |
|---|---|---|
| 1. | • 6.15% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 200 Crores (current outstanding is ₹ 100 Crores)<br>• Repo rate linked Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 99 Crores<br>• 8.07% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures of ₹ 300 Crores<br>• Repo Rate linked Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures of ₹ 150 Crores<br>• 8.32% Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures of ₹ 150 Crores | Beacon Trusteeship Limited<br>7A & B, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai- 400 051<br>Tel No.: +91-22-26558759<br>Website: https://beacontrustee.co.in/ |
| 2. | • 9.95% Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 75 Crores (Redeemed on 28.08.2023)<br>• 9.80% Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 99 Crores (current outstanding is ₹ 49 Crores)<br>• Repo rate linked, Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures of ₹ 75 Crores<br>• Repo rate linked, Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures of ₹ 100 Crores | Catalyst Trusteeship Limited<br>GDA House, First floor, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038<br>Tel. No.: +91-22-49220555<br>+91-20-66807200<br>Website: www.catalysttrustee.com |

- **Plant Location**

**Main Plant**
Plot No.101, Part III, G.I.D.C. Estate,
Sector – 28, Gandhinagar – 382 028
Gujarat, India

**Tel.:** 079 – 23214000

**2nd Plant at Gandhinagar**
Plot No. A-4/1, A-4/2, A-5,
G.I.D.C. Electronic Estate, Sector – 25,
Gandhinagar – 382 025 Gujarat, India

**Tel.:** 079-23214400

**Raipur Plant:**
Khasra No.1778, 1779
Old Dhamtari Road, Village : Khorpa
Tehsil : Abhanpur Dist : Raipur – 493 661,
Chhattisgarh, India
**Tel.:** 0771-2772700

**Biomass Energy Division (Power Plant)**
27BB, Tehsil Padampur Dist.
Sri Ganganagar-335 041
Rajasthan, India
**Tel.:** 0154 - 2473725

Near Village Khatoli
Tehsil Uniara, Dist. Tonk-304 024
Rajasthan, India
**Tel.:** 01436 – 260665

**R&D Tower Drawing & Design Centre**
Plot No.101, Part III, G.I.D.C. Estate, Sector – 28
Gandhinagar – 382 028, Gujarat, India
**Tel.:** 079 – 23214000

**R & D Proto Tower Development & Validation Centre**
At Punadara Village - 387610 , Near Talod Dam, Taluka – Prantij
Dist. Sabarkatha – 387 610, Gujarat, India
**Tel.:** 02770- 255414

**Registered Office**
***(Address for Correspondence)***
Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
Gandhinagar – 382 028
Gujarat, India
**Tel.:** 079 – 23214000

**Corporate Office**
"Kalpataru Synergy"
7th Floor, Opp. Grand Hyatt Hotel,
Vakola, Santacruz (East),
Mumbai – 400 055,
Maharashtra, India
**Tel.:** 022 – 30642100

**On behalf of the Board of Directors**

**Mofatraj P. Munot**
Non-Executive Chairman
DIN: 00046905

Place: Mumbai
Date : May 08, 2024

202410180061 4

# CEO/CFO Certificate

Board of Directors

Kalpataru Projects International Limited

We, Manish Mohnot, Managing Director & CEO and Ram Patodia, Chief Financial Officer, to the best of our knowledge and belief, hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) That there are no significant changes in internal control over financial reporting during the year;

(ii) That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: May 08, 2024

**Manish Mohnot**
Managing Director & CEO

**Ram Patodia**
Chief Financial Officer

# Independent Auditors' Certificate on Corporate Governance

To the Members of **Kalpataru Projects International Limited** (formerly known as Kalpataru Power Transmission Limited)

1. This Certificate is issued in accordance with the terms of our engagement letter dated 17 July 2023 and addendum to the engagement letter dated 15 April 2024.

2. We have examined the compliance of conditions of Corporate Governance by Kalpataru Projects International Limited ('the Company'), for the year ended on 31 March 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")**, pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility**

3. The compliance of conditions of Corporate Governance as stipulated under Listing Regulation is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2024.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("the ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

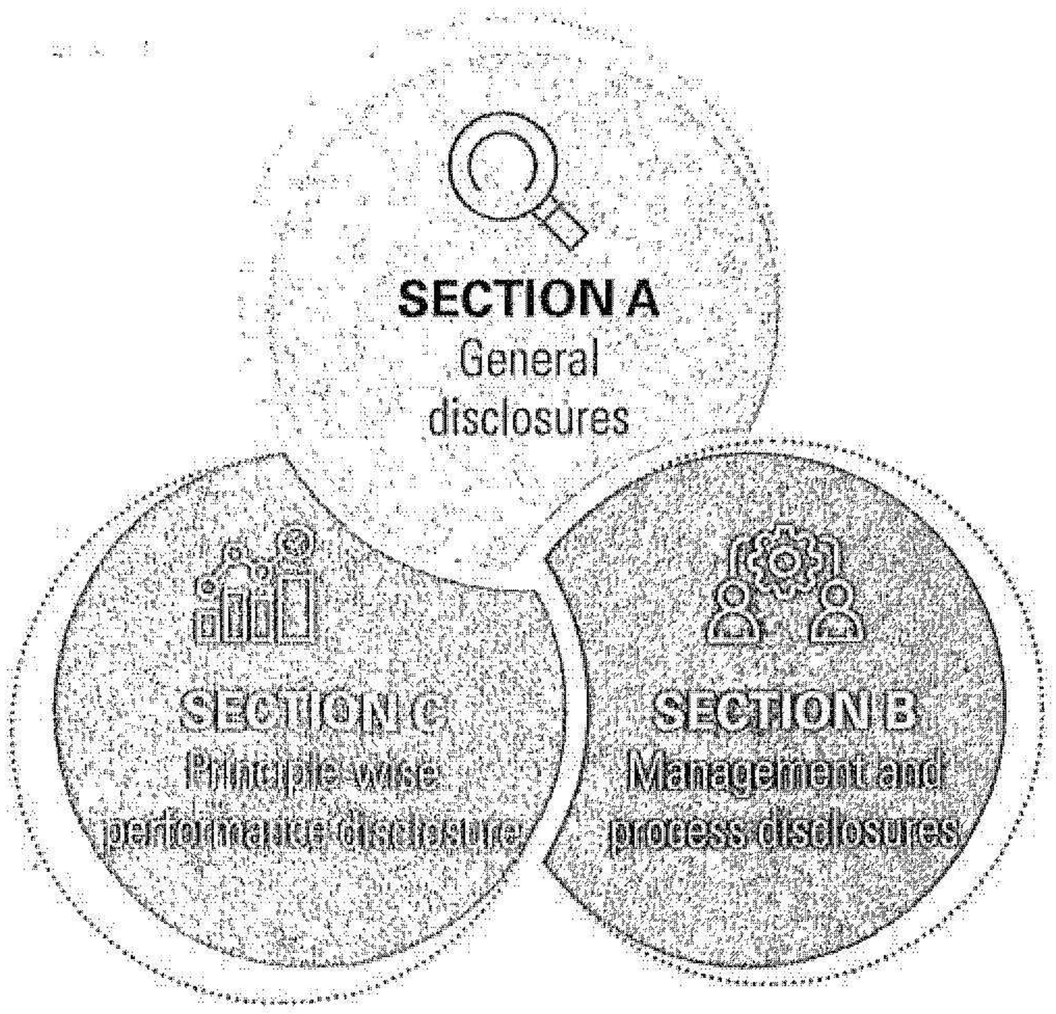
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No: 042070
ICAI UDIN: 24042070BKCQTR7057

Mumbai
8th May 2024

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# Business Responsibility and Sustainability Report (BRSR)




**Principle 1**

Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable

**Principle 2**

Businesses should provide goods and services in a manner that is sustainable and safe

**Principle 3**

Businesses should respect and promote the well-being of all employees, including those in their value chains

**Principle 4**

Businesses should respect the interests of and be responsive to all its stakeholders

**Principle 5**

Businesses should respect and promote human rights

**Principle 6**

Businesses should respect and make efforts to protect and restore the environment

**Principle 7**

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

**Principle 8**

Businesses should promote inclusive growth and equitable development

**Principle 9**

Businesses should engage with and provide value to their consumers in a responsible manner

# SECTION A: General disclosures

## I. Details of the listed entity

| | | |
|---|---|---|
| 1. | **Corporate Identity Number (CIN) of the Listed Entity** | L40100GJ1981PLC004281 |
| 2. | **Name of the Listed Entity** | Kalpataru Projects International Limited |
| 3. | **Year of Incorporation** | 1981 |
| 4. | **Registered office address** | Plot No. 101, Part III, GIDC Estate, Sector 28, Gandhinagar-382028, Gujarat, India |
| 5. | **Corporate address** | 7th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Vakola, Santacruz (E), Mumbai 400055. India |
| 6. | **E-mail** | cs@kalpataruprojects.com; investorrelations@kalpataruprojects.com |
| 7. | **Telephone** | +91-7923214000 (Board) and +91 22 30645000 (Board) |
| 8. | **Website** | https://kalpataruprojects.com/ |
| 9. | **Financial year for which reporting is being done** | 01st April 2023 to 31st March 2024 |
| 10. | **Name of the Stock Exchange(s) where shares are listed** | National Stock Exchange of India Ltd and BSE Ltd |
| 11. | **Paid-up Capital** | Rs. 32,48,92,304/- divided into 16,24,46,152 fully paid-up equity shares each of Rs. 2/- |
| 12. | **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** | Lalitkumar Tiwari (Group Chief Sustainability Officer) +91-2230641550 lalitkumar.tiwari@kalpataru.com |
| 13. | **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).** | Standalone |
| 14. | **Name of assurance provider** | TÜV SÜD South Asia Pvt. Ltd. |
| 15. | **Type of assurance obtained** | Limited Assurance |

## II. Product/Services

16. **Details of business activities (accounting for 90% of the entity's Turnover):**

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Transmission & Distribution | The Company provides end-to-end solutions ranging from in-house designs, testing, procurement, fabrication, erection, installation, and commissioning of power transmission lines and sub-stations | 31.9 |
| 2 | Buildings & Factories | The Company provides end-to-end capabilities to execute civil works,design & build composite works, structural works, finishing works,utilities, and area development. The Company has also partnered with leading players to deliver factory projects in Automotive, FMCG, Textile,Power, Government infrastructure projects, Industrial projects, and Building Projects (Residential, Commercial, and Institutions, namely, Hospitals & Educational institutions). | 28.6 |

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| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 3 | Water | The Company's expertise is in designing and building Water Intake, pipeline laying, treatment, storage, supply, distribution, and operation & maintenance of projects | 21.0 |
| 4 | Railways | The Company offers multi-disciplinary services under its railway arm. The Company services include overhead electrification, traction substations, station buildings, railway track laying, earthwork, workshops, signalling & telecommunication (S&T), power systems, and civil works associated with railway networks and composite railway projects. The Company is also enhancing its competencies and offerings in emerging areas like dedicated rail corridors & rapid rail systems amongst others. | 8.5 |
| 5 | Oil & Gas | The Company undertakes EPC contracting for cross-country pipelines,terminals, and gas gathering stations for the oil and gas sector across diverse territories. | 4.9 |
| 6 | Urban Infrastructure | The Company offers EPC services for the design and construction of highways, bridges & flyovers, airports, metro rail corridor stations, transit terminals & hubs. | 4.2 |

**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | EPC for T&D, Water and Oil & Gas businesses | 4220 (Construction of utility projects) | 48.4 |
| 2 | EPC for Buildings & Factories businesses | 4100 (Construction of buildings) | 28.6 |
| 3 | EPC for Urban Infrastructure and Railways businesses | 4210 (Construction of roads and railways) | 12.7 |
| 4 | Manufacturing of Transmission lines, Towers and Tower parts | 2511 (Manufacture of structural metal products) | 9.7 |

## III. Operations

**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants/project sites | Number of offices | Total |
|---|---|---|---|
| National | 270 | 32 | 302 |
| International | 41 | 43 | 84 |

**19. Markets served by the entity**

**a. Number of locations**

| S. No. | Locations | Number |
|---|---|---|
| 1 | National (Number of states) | 24 |
| 2 | International (Number of countries) | 45 |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

29.48%

**c. A brief on types of customers**

The Company is engaged in six diverse businesses with large customer bases.

1. **Transmission & Distribution:** KPIL is one of the preferred EPC companies in power transmission and distribution sector in India & abroad. Hence, the customers are mainly power utility companies (government owned or private)
2. **Buildings & Factories:** Grade 'A' real estate developers (Residential & commercial), government/private institutions, industrial customers
3. **Water:** State & Central governments and local municipal bodies/ authorities are our clients.
4. **Urban infra:** This business includes government and private projects.
5. **Railways:** Almost all projects within this business are with governments/ government controlled entities.
6. **Oil & Gas:** This business includes EPC contracting for cross country pipelines, terminals, and gas gathering stations for government/private companies.

## IV. Employees

### 20. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 8,428 | 8,158 | 96.80 | 270 | 3.20 |
| 2. | Other than permanent (E) | 1,453 | 1,431 | 98.49 | 22 | 1.51 |
| 3. | **Total employees (D+E)** | **9,881** | **9,589** | **97.04** | **292** | **2.96** |
| | **WORKERS** | | | | | |
| 4. | Permanent (F) | 13 | 13 | 100 | 0 | 0 |
| 5. | Other than permanent (G) | 12,331 | 12,194 | 98.89 | 137 | 1.11 |
| 6. | **Total workers (F+G)** | **12,344** | **12,207** | **98.89** | **137** | **1.11** |

#### b. Differently abled employees and workers:

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 11 | 11 | 100 | 0 | 0 |
| 2. | Other than permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | **Total Differently abled employees (D+E)** | **11** | **11** | **100** | **0** | **0** |
| | **DIFFERENTLY ABLED WORKERS** | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5. | Other than permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | **Total differently abled workers (F + G)** | **0** | **0** | **0** | **0** | **0** |

### 21. Participation/Inclusion/Representation of women*

| | Total No. (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B/A) |
| Board of Directors | 9 | 1 | 11.11 |
| Key Management Personnel# | 4 | 1 | 25 |

*As on date 31st March, 2024

# Includes Managing Director & CEO and Deputy Managing Director

### 22. Turnover rate for permanent employees and workers

| Category | FY 2024 (Turnover rate in current FY) | | | FY 2023 (Turnover rate in previous FY) | | | FY 2022 (Turnover rate in the year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male (%) | Female (%) | Total (%) | Male (%) | Female (%) | Total (%) | Male (%) | Female (%) | Total (%) |
| Permanent employees | 22.15 | 24.53 | 22.22 | 26.38 | 31.97 | 26.57 | 22.34 | 19.72 | 22.26 |
| Permanent workers | 55.6 | 0 | 55.6 | 14 | 0 | 14 | 13 | 0 | 13 |

Note

1. The above turnover rates consist of voluntary turnover, as well as cases of dismissal, termination, retirement and death in service. The turnover rates for FY 2023 and FY 2022 are revised for consistency, as only voluntary turnover was reported in BRSR FY 2023.
2. Our voluntary turnover rate for FY 2024 is 17.99%

202410180061 7

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

**23. Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Shree Shubham Logistics Limited | Subsidiary | 100 | No |
| 2 | Energylink (India) Limited* | Subsidiary | 100 | Yes |
| 3 | Punarvasu Financial Services Pvt. Ltd. | Step down Subsidiary | 100 | No |
| 4 | Amber Real Estate Limited* | Subsidiary | 100 | Yes |
| 5 | Adeshwar Infrabuild Limited* | Subsidiary | 100 | Yes |
| 6 | Saicharan Properties Limited* | Step down Subsidiary | 100 | Yes |
| 7 | Kalpataru Power DMCC UAE* | Step down Subsidiary | 100 | Yes |
| 8 | Kalpataru Power Transmission USA Inc* | Subsidiary | 100 | Yes |
| 9 | Kalpataru Power Transmission (Mauritius) Ltd.* | Subsidiary | 100 | Yes |
| 10 | LLC Kalpataru Power Transmission Ukraine* | Subsidiary | 100 | Yes |
| 11 | Kalpataru Metfab Pvt. Ltd.* | Subsidiary | 100 | Yes |
| 12 | Kalpataru Power Transmission Sweden AB | Subsidiary | 100 | No |
| 13 | JMC Mining and Quarries Limited | Subsidiary | 100 | No |
| 14 | Brij Bhoomi Expressway Pvt. Ltd. | Subsidiary | 100 | No |
| 15 | Wainganga Expressway Pvt. Ltd. | Subsidiary | 100 | No |
| 16 | Vindhyachal Expressway Pvt. Ltd. | Subsidiary | 100 | No |
| 17 | Linjemontage I Grastorp AB* | Step down Subsidiary | 100 | Yes |
| 18 | Linjemontage AS* | Step down Subsidiary | 100 | Yes |
| 19 | Linjemontage Service Nordic AB* | Step down Subsidiary | 100 | Yes |
| 20 | Kalpataru Power Chile SpA | Subsidiary | 100 | No |
| 21 | Kalpataru Power Do Brasil Participacoes Ltda* | Subsidiary | 100 | Yes |
| 22 | Kalpataru IBN Omairah Company Ltd.* | Subsidiary | 65 | Yes |
| 23 | Kalpataru Power Senegal – SARL* | Subsidiary | 100 | Yes |
| 24 | Fasttel Engenharia S.A.* | Step down Subsidiary | 100 | Yes |
| 25 | Kurukshetra Expressway Pvt. Ltd. | Joint-Venture | 49.57 | No |

Note: As on date 31st March, 2024

* The above subsidiaries partially participate in the business responsibility initiatives of the Company viz. Anti Bribery Management System

## VI. CSR Details

**24.** i. Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

ii. Turnover (in Rs.) - **~ 16,760 Crore**

iii. Net worth (In Rs.) - **~ 5,750 Crore**

## VII. Transparency and Disclosures Compliances

**25. Complaints/grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC):**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2024 Current Financial Year | | | FY 2023 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks |
| Communities | Yes<br>CSR Policy | Nil | Nil | - | Nil | Nil | - |
| Investors (other than Shareholders) | Yes<br>Dividend Policy | Nil | Nil | - | Nil | Nil | - |
| Shareholders | Yes<br>Code for fair disclosure | 2 | Nil | - | 9 | Nil | - |
| Employees and workers | Yes<br>Grievance Redressal Policy<br>Whistle Blower Policy | 2 | Nil | - | 1 | Nil | - |
| Customers | Yes<br>Kalpataru Anti-Bribery Anti-Corruption Policy | Nil | Nil | - | Nil | Nil | - |
| Value Chain Partners | Yes<br>Whistle Blower Policy | 1 | Nil | - | 1 | Nil | - |
| Other (please specify) | Yes<br>Whistle Blower Policy | 1 | Nil | - | Nil | Nil | - |

**26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:**

*Note: We have undertaken a detailed Materiality Assessment in FY 2024. The material topics are updated based on the outcome of the Materiality Assessment.*

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Climate change and energy | Opportunity and Risk | **Opportunity:**<br>a. Implementation of sustainable practices by reducing the carbon footprint helps in achieving the sustainable strategy of the Company and also promotes the brand value.<br>b. Reducing energy consumption & conservation minimizes the utility bills & operational costs.<br>**Risk:**<br>a. High carbon emission from the operations of the Company may lead to pollution of the environment.<br>b. Increase in energy consumption results in higher operational expenditure.<br>c. Climate change poses significant physical and transition risks to the Company. | a. Deployed electric vehicles at sites to promote sustainable transportation and reduce the carbon footprint of the Company.<br>b. Switching to clean fuels by reducing the consumption of fossil fuels.<br>c. Vehicle tracking and optimization of fuel consumption is practiced.<br>d. Installation of energy efficient equipment, processes & systems to conserve energy.<br>e. Obtain ISO 50001:2018 (Energy Management System) certification, which provides a structured framework for optimizing energy consumption and conservation of energy.<br>f. Use of renewable energy by deploying Solar Panels or procuring RE power | **Positive:**<br>Reduces the operational costs and addresses the climate change related physical & transition risks.<br>**Negative:**<br>Incurs additional expenditure for implementation of mitigation strategy for addressing climate change related risks. |
| 2 | Biodiversity and Land Use | Opportunity | Improvement of biodiversity by conducting plantation drives mitigates the air pollution and also improves the aesthetic environment. | | **Positive:**<br>Improvement of green area beyond compliance requirement mitigates the climate change related risks. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 3 | Resource efficiency and circularity (Includes water and waste management and recycling) | Opportunity & Risk | **Waste:**<br>**Opportunity:**<br>a. Implementation of sustainable waste management plan prioritizing 3R waste management hierarchy (Reduce, Reuse and Recycle) transforms into circular economy.<br>b. Reduces the dependency on natural resources.<br>**Risk:**<br>a. Absence of adequate systems and practices for waste & wastewater management causes environmental pollution.<br>**Water:**<br>**Opportunity:**<br>a. Practicing water conservation reduces the water related costs and associated risks.<br>**Risk:**<br>a. Non-availability of water with desired quality & quantity poses several operational risks. | **Waste:**<br>a. Promoted recycling & reuse of waste by producing value added products.<br>**Water:**<br>a. Practice rainwater harvesting for conservation of water across all operations.<br>b. Achieve zero liquid discharge (ZLD) in the plant operations.<br>c. Reuse of treated wastewater to reduce the freshwater consumption in the operations.<br>d. Assess the operational & basin level water risks using water risk tools & implement water conservation measures to mitigate the identified risks. | **Waste:**<br>**Positive:**<br>Reduces the waste disposal costs and promotes circular economy.<br>**Negative:**<br>Improper disposal of waste causes environmental pollution and also attracts legal action by the regulatory agencies.<br>**Water:**<br>**Positive:**<br>a. Reduces the water costs.<br>b. Avoid business disruption through implementation of mitigation strategy for the identified water risks.<br>**Negative:**<br>Disruption of the operations of the Company due to non-availability of water in a timely manner. |
| 4 | Pollution | Risk | a. Improper disposal of various types of hazardous materials may pollute the environment.<br>b. Air pollution due to dust particles may lead to compliance issues or concerns from stakeholders. | a. Ensure appropriate mechanisms are in place in line with the compliances of the pollution control boards.<br>b. Implement Standard Operating Procedures (SOPs) to dispose the pollutants in a safe manner.<br>c. Maintain & follow Material Safety Data Sheet (MSDS).<br>d. Conduct regular training programs to employees & workers on best practices to prevent pollution.<br>e. Implementing dust prevention and control programme | **Negative:**<br>If pollutants are not disposed in a safe and responsible manner, it may lead to environmental pollution, leading to fines and penalties. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 5 | Human Capital Development | Opportunity | Development of employees & workers with required skills, knowledge, and expertise creates a strong workforce improving the overall productivity of the Company. | | **Positive:** Avoids business disruptions, improves productivity of the Company and ensures sustainable operations. |
| 6 | Human Rights and Labour Relations | Risk | a. Non-compliance to human rights laws leads to stringent action by the regulatory agencies affecting the brand value of the Company.<br>b. As a part of our project execution, we engage contractors across geographies, which may lead to human rights and labour relations related risks. | a. Identification and addressing of human rights related risks by conducting human rights related due-diligence in our operations.<br>b. Conduct training programs for employees, workers and contractors on human rights related laws and regulations.<br>c. Adhere to International Labour Organization (ILO) guidelines-(as applicable) and conventions prohibiting any kind of discrimination based on factors like race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity, religion, disability, family status, social origin. | **Negative:** Non-compliance with human rights and labour laws affects the reputation & brand value of the Company. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 7 | Occupational Health & Safety | Opportunity & Risk | **Opportunity**:<br>a. Prevention of workplace injuries & accidents improves the overall productivity of the Company through continuous operation of facilities by reducing absenteeism.<br>b. Avoiding health & safety related accidents reduces the occupational health related costs, improves working conditions, staff morale and enhances overall reputation of the Company.<br>**Risk**:<br>a. Workplace injuries, accidents and unsafe working conditions may hamper the operations of the Company and affects the brand value of the Company.<br>b. Health & safety related incidents and non-compliance to applicable laws could result in litigation and negatively impacts the brand value of the Company. | a. Formulated and adopted comprehensive health & safety policies, Standard Operating Procedures (SOPs).<br>b. Conduct Environment Health & Safety (EHS) risk assessment and implement mitigation strategy for the identified risks.<br>c. Conduct regular training programs, emergency drill and safety passport across all operations.<br>d. Encourage employees to report unsafe and hazards conditions at workplace.<br>e. Certified by ISO 45001:2018 (Occupational Health and Safety Management System)<br>f. Achieve Behavioral based safety cultural transformation. | **Positive:**<br>Mitigation of health & safety risks builds trust amongst employees & workers by ensuring them a safe workplace.<br>**Negative**:<br>Violation of health & safety laws and guidelines leads to stringent action by the regulatory agencies affecting the brand value of the Company. |
| 8 | Community engagement | Opportunity | Implementation of CSR projects uplifts the marginalized/ vulnerable groups fostering harmonious relations with local communities. | | **Positive**:<br>Avoids conflict with the local communities through implementation of CSR projects for uplifting of marginalized/ vulnerable groups. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 9 | Customer centricity | Opportunity & Risk | **Opportunity:**<br>a. Customer centricity drives the customer satisfaction, loyalty & retention of customers.<br>b. Regular interaction and addressing the concerns of the customers helps in building trust and promotes business expansion.<br>**Risk:**<br>Absence of appropriate mechanism for regular feedback from the customers hampers the business growth of the Company. | a. Ensure appropriate customer feedback mechanism is in place to address complaints and concerns of the customers.<br>b. Effectively communicate the measures taken by the Company to meet customers' expectations and gain the trust & confidence of the customers. | **Positive:**<br>Building trust & confidence in customers promotes the business expansion, revenue growth and brand value of the Company.<br>**Negative:**<br>If customer complaints are not addressed in timely manner, it affects the reputation and brand value of the Company through negative propaganda. |
| 10 | Supply chain management | Opportunity & Risk | **Opportunity:**<br>a. Integration of ESG criteria for supplier assessment avoids supply chain disruptions.<br>b. Sustainable Supply Chain Management ensures sourcing of materials & transportation even in adverse situations and conditions.<br>**Risk:**<br>Inadequate systems and practices for screening & assessment of suppliers may lead to business disruptions. | a. Deploy sustainable supply chain management framework across all operations of the Company.<br>b. Diversify the suppliers & logistics for sustainable procurement and transportation of materials.<br>c. Conduct regular assessment and screen the suppliers based on ESG criteria.<br>d. Encourage suppliers who have developed sustainable materials as their offerings | **Positive:**<br>Implementation of sustainable supply chain management practices avoids business disruptions.<br>**Negative:**<br>Absence of appropriate systems & practices for sustainable supply chain management may hamper the operations of the Company. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 11 | Sustainable products and service quality | Opportunity & Risk | **Opportunity:**<br>Enhancement of product quality & features helps in gaining customers trust and business development.<br>**Risk**:<br>Non-compliance to industrial standards and prescribed laws in product development may lead to complaints from the customers. | a. Enhance the product quality and features in line with the industrial standards and meeting the customers' expectations.<br>b. Integrate sustainability into the product / service development.<br>c. Designing service portfolio keeping in view use of RE energy instead of fossil fuel.<br>d. Water conservation / harvesting practices in construction<br>e. Implementing Construction & Demolition Waste Management to have circular economy | **Positive:**<br>Diversifying product portfolio and improving product quality leads to business expansion, revenue generation and promotes brand value of the Company.<br>**Negative:**<br>Noncompliance to industrial standards in product development affects the brand value and reputation of the Company. |
| 12 | Corporate Governance | Opportunity | Robust corporate governance framework protecting the stakeholders' interests ensures accountability, transparency, ethical corporate behavior, and fairness to all stakeholders. | | **Positive:**<br>Implementing governance related policies and best practices ensures transparency and builds confidence to stakeholders. |
| 13 | Business Ethics | Risk & Opportunity | **Risk**:<br>a. Violation of the Company's code of conduct compromises the business relations and erodes customer trust and confidence.<br>**Opportunity:**<br>a. Operating the business in an ethical & transparent manner builds confidence & trust amongst customers, investors and other stakeholders. | a. Conduct regular training programs on code of conduct for all employees and workers.<br>b. Take stringent action in case of non-compliance of code of conduct<br>c. Implemented Anti-Bribery Practices & adaption of ISO 37001:2016 standard | **Negative:**<br>Non-compliance with code of conduct affects the trust and reputation of the Company.<br>**Positive**:<br>Ensuring transparency & accountability across all business operations builds trust and confidence to all stakeholders. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 14 | Data Privacy and Security | Risk | a. Cyberattacks and loss of confidential information erodes the customer trust and affects the reputation of the Company.<br>b. Lack of adequate prevention, detection, and remediation of data security threats incurs huge loss to the Company and also causes business disruption. | a. Deployment of appropriate controls to ensure data security and privacy.<br>b. Proactive monitoring and analysis of any new vulnerabilities and threats.<br>c. Implementation of protective measures, systems and practices to ensure privacy and data security. | **Negative:**<br>Loss of confidential information disrupts the operations and erodes the customer trust. |
| 15 | R&D, innovation and digitalization | Opportunity | Development of products through innovation & digitalization promotes resource conservation, enhancement of product quality & features leading to business expansion and diversification of product portfolio. | | **Positive:**<br>Diversification of product portfolio facilitates business growth and expansion. |
| 16 | Business continuity and risk management | Opportunity | Implementation of enterprise level risk management framework addresses the business risks and ensures business continuity even in adverse situations. | | **Positive:**<br>Implementation of risk mitigation strategy avoids business disruption and ensures business continuity. |

# SECTION B: Management and process disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

| Disclosure Questions | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | | |
| 1 | **(a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | **(b) Has the policy been approved by the Board? (Yes/No)** | Yes | No* | Yes | Yes | Yes | No* | Yes | Yes | No* |
| | **(c) Web Link of the Policies, if available** | Human Rights Policy – Available on intranet<br>Equal Opportunity Policy<br>Grievance Redressal Policy<br>Kalpataru Code of Conduct<br>Policy On Remuneration For The Directors, Key Managerial Personnel And Other Employees<br>Dividend Distribution Policy<br>Code of Conduct for Directors & Senior Management<br>EHSS Policy - Available on intranet<br>Cyber Security Policy – Available on intranet<br>Whistle Blower Policy<br>Related Party Transaction Policy<br>Terms and Conditions for Appointment of Independent Directors of the Company<br>Policy enabling Debenture Holders to claim Unclaimed Interest and / or redemption amount<br>Policy on Determining Material Subsidiaries<br>Corporate Social Responsibility (CSR) Policy<br>Directors' Familiarization Programme<br>Code Of Practices And Procedures For Fair Disclosure Of Unpublished Price Sensitive Information ("Code")<br>Policy For Preservation Of Document & Archival Policy<br>Policy On Determination Of Materiality Of Events/ Information & Disclosure Of Material Events / Information<br>Code Of Internal Procedures And Conduct For Regulating, Monitoring And Reporting Of Trading By Insiders<br>Anti-Bribery and Anti-Corruption Policy<br>Third Party Due Diligence Policy<br>Policy On Directors' Appointment Including Criteria For Determining Qualifications, Positive Attributes, Independence Of A Director<br>Policies & Guidelines \| Kalpataru Projects International Limited | | | | | | | | |
| 2. | **Whether the entity has translated the policy into procedures. (Yes / No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | **Do the enlisted policies extend to your value chain partners? (Yes/No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

*Approved by the Managing Director and CEO

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| Disclosure Questions | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 4 | **Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.** | All the policies are compliant with respective principles of NGRBC guidelines, the Companies Act, 2013, and comply with international standards of ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 37001:2016, ISO 3834-2:2021 and EN 1090-1, and ISO/IEC 17025:2017, as applicable to respective policies. | | | | | | | | |
| 5 | **Specific commitments, goals and targets set by the entity with defined timelines, if any.** | We have been investing in our sustainability efforts for some years now. Our approach towards ESG has been guided by our Vision & Values, which affirms our commitment towards responsible and sustainable business practices.<br>In FY 2024 our ESG strategy was formalized by adopting –<br>A robust governance mechanism<br>• Apex Committee – Constituted of Senior Leadership, responsible for overall governance and guidance on ESG<br>• Core/Steering Committee – A cross-functional team, responsible for identification of initiatives and projects.<br>***Sustainability Goals***<br>• Carbon Neutral by 2040<br>Become Carbon Neutral by 2040 for Scope 1&2 emissions of all business divisions at all locations<br>• Water Neutral by 2032<br>Become Water Neutral by 2032 for all business divisions at all locations<br>• Circular Economy by 2035<br>Implementing Circular Economy for Construction and Demolition Waste by 2035 | | | | | | | | |
| 6 | **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.** | • Carbon Neutral by 2040<br>- Intensity Reduction by 1.78% (Total emissions in tCO2e/ INR in Cr of Revenue) vis-à-vis FY 2023<br>• Water Neutral by 2032<br>- Intensity reduction by 29.09% (Water Consumption in KL/ INR Cr of Revenue) vis-à-vis FY 2023<br>• Circular Economy by 2035<br>- Initiated activities for proper segregation and disposal with accounting | | | | | | | | |

## Governance, leadership and oversight

**7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

In FY 2024, Kalpataru Projects International Limited (KPIL) showcased exceptional resilience and growth amid global economic challenges, highlighted by the successful amalgamation of JMC Projects. Despite inflationary pressures and geopolitical tensions, KPIL achieved its highest-ever revenue and EBITDA, underscoring our strategic focus on high-growth sectors such as Oil & Gas, underground metro tunneling, and water projects. Our robust order book of INR 54,875 crores reinforces our commitment to value creation and establishing KPIL as a leading global EPC player.

Targets and Achievements

FY 2024 marked a year of significant achievements and strategic advancements in our ESG journey. We established comprehensive ESG governance through the formation of Apex and Steering Committees, ensuring our sustainability goals are deeply integrated into our business strategy and operations.

We have also adopted our sustainability goals in FY 2024-

- Carbon neutrality by 2040 (for Scope 1 & 2 emissions)
- Water neutrality by 2032
- Implementing circular economy for construction and demolition waste by 2035

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|

We attained carbon neutrality for our Transmission Line International (TLI) division for FY 2023 and reduced our organization's water intensity on a revenue basis by 35% compared to FY 2022. These milestones reflect our unwavering commitment to environmental stewardship and responsible resource management.

KPIL also achieved a 6.6% reduction in greenhouse gas (GHG) emission intensity (tCO2e/INR Cr of Revenue) compared to FY 2022 and increased the contribution of renewable electricity to 29.2% of our total electricity consumption. Our people-first culture, supported by comprehensive wellness programs and robust training initiatives, enhances holistic well-being and skill development, ensuring our workforce is prepared to drive the Company's success. Together, we are building a legacy of impact, driving positive change for our planet, people, and prosperity.

Challenges and Solutions

Addressing ESG-related challenges requires ongoing and dedicated efforts. While we are making progress through dialogues with various agencies, including government authorities and market stakeholders, several challenges persist:

- Regulatory landscape: The regulatory landscape is evolving in the renewable energy space and we are making efforts to leverage the opportunity and address the challenges associated with it.
- Low Carbon Materials: Adapting to low-carbon cement and steel products presents technical and market challenges that need innovative solutions and collaboration.
- Scope 3 Emissions: Achieving consensus among stakeholders on Scope 3 emission accounting is crucial for accurate reporting and requires extensive engagement.
- Supply Chain Integration: Adoption of ESG principles throughout our supply chain involves continuous and substantial efforts to engage and empower our value chain partners.

Additionally, as an EPC company, our project sites are increasingly susceptible to climate risks, necessitating new approaches in execution planning and risk management, including enhanced insurance strategies and improved project delivery methods. Formulating a consensus among stakeholders and implementing these solutions requires focused efforts.

Despite these challenges, we remain steadfast in our commitment to making meaningful progress towards our sustainability goals. We will continue our relentless efforts to contribute to a sustainable future.

| | | |
|---|---|---|
| 8 | **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).** | Name: Mr. Manish Mohnot<br>Designation: Managing Director & Chief Executive Officer<br>DIN Number: 01229696 |
| 9 | **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.** | Yes. The Company has a well-defined ESG department which seeks inputs on decisions from the MD & CEO on various aspects of the environmental and social issues of the Company. |

202410180062 3

**10. Details of Review of NGRBCs by the Company**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| **Performance against above policies and follow up action** | The Company policies are established by the Board or the Managing Director & CEO and undergo regular reviews as required by the Board or appropriate committee. These reviews assess the policies' efficacy, leading to the implementation of any necessary modifications to ensure the policies remain effective and aligned with the Company's objectives. | | | | | | | | | | | | | | | | | |
| **Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances** | The Company actively ensures adherence to all relevant statutory requirements. Compliance with governing rules and regulations is systematically monitored, and any deviations are promptly addressed, reinforcing our commitment to operating within the established legal, regulatory and ethical frameworks. | | | | | | | | | | | | | | | | | |

| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 11 | **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.** | The Company's Quality, Environment, Occupational Health & Safety Management Systems are audited and certified by TUV SUD & ISOQAR, as per ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Standards. Anti-Bribery Anti- Corruption Management Systems are audited and certified by BSI as per ISO 37001:2016. The Company's Tower Manufacturing Plants are certified by TUV Nord for Production Control of following products ISO 3834-2:2021, ISO/IEC 17025:2017. | | | | | | | | |

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

# SECTION C: Principle-wise performance disclosure

## Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

### ESSENTIAL INDICATORS

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year**

| S. No. | Segment | Total number of training & awareness programmes held* | Topics / principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|---|
| 1 | Board of Directors | 5 | Business, strategy, risks and legal compliance | 100 |
| 2 | Key Managerial Personnel | 10 | Anti-Bribery and Anti-Corruption, Kalpataru Code of Conduct (KCoC), Occupational Health & Safety Management etc. | 100 |
| 3 | Employees other than BoD and KMPs | 5,571 | Ethical Conduct, Anti-Bribery & Anti-Corruption Practices, Functional trainings including operations, Management Systems, Behavioral & Soft Skills, Human Rights, Customer support, Environmental Management System, Occupational Health & Safety Management, Quality Management, Sustainability, Business and Strategy, Leadership, Joining and Safety Inductions etc. | 86 |
| 4 | Workers | 34,881 | Procedures and Practices, Checks, Emergency Response, Good Construction Practices and Construction / Operational Workmanship, Human Rights, Social Conditions, various programmes like Inductions, Tool Box talks, Motivating for Safe Work etc. | 100 |

*The parameter 'Total number of training and awareness programmes held' has been disclosed in number of sessions conducted.

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**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| Monetary | | | | | |
|---|---|---|---|---|---|
| **Type** | **NGRBC Principle** | **Name of the regulatory/ enforcement agencies/ judicial institutions** | **Amount (In INR)** | **Brief of the Case** | **Has an appeal been preferred? (Yes/No)** |
| Penalty/ Fine | Nil | Nil | Nil | Nil | Nil |
| Settlement | Nil | Nil | Nil | Nil | Nil |
| Compounding fee | Nil | Nil | Nil | Nil | Nil |

| Non- Monetary | | | | |
|---|---|---|---|---|
| **Type** | **NGRBC Principle** | **Name of the regulatory/ enforcement agencies/ judicial institutions** | **Brief of the Case** | **Has an appeal been preferred? (Yes/No)** |
| Imprisonment | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil |

Note: We did not have any fine / penalty / punishment / award / compounding fees / settlement amount paid in proceedings identified as material based on Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.

**3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| Nil | Nil |

**4. Does the entity have an anti-corruption policy or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has an established Anti-Bribery Anti-Corruption Policy, a robust framework designed to detect and prevent corrupt activities. Aligned with ISO 37001:2016 standards, this policy applies not only to our employees but also extends to our subsidiaries, joint ventures, suppliers, contractors, NGOs, and all other entities with whom we engage in transactions, both domestically and internationally.

The policy emphasizes critical areas of vulnerability within our operations, such as gifts, hospitality, and political or charitable donations, where corruption, particularly bribery, poses a risk. To reinforce our commitment to integrity, we have implemented the Anti-Bribery Anti-Corruption Policy (ABAC) and Third-Party Due Diligence (TPDD) policies. These frameworks serve as essential tools for identifying and managing the risks associated with bribery and corruption, particularly in our interactions with government and public officials.

For further details on our policies, interested stakeholders can access them through the following web-link: https://kalpataruprojects.com/api/view-file/Corporate%20Governance_policies%20&%20Guidelines_Anti%E2%80%90Bribery%20Anti%E2%80%90Corruption%20Policy.pdf We remain steadfast in our dedication to upholding the highest standards of ethical conduct throughout our operations.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | Nil | Nil |

**6. Details of complaints with regard to conflict of interest**

| | FY 2024 (Current Financial Year) | | FY 2023 (Previous Financial Year) | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | Nil | Nil | Nil |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | Nil | Nil | Nil |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

There were no cases related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

**8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

| | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| Number of days of accounts payables | 129.75 | 132.76 |

**9. Open-ness of business**

**Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

| Parameter | Metrics | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|---|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | 7.5% | 7% |
| | b. Number of trading houses where purchases are made from | 720 | 600 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses. | 52% | 48% |
| Concentration of Sales | a. Sales to dealers/ distributors as % of total sales | Given the nature of business this parameter is not applicable to KPIL. | |
| | b. Number of dealers/ distributors to whom sales are made | | |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | | |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | 0.7% | 0.3% |
| | b. Sales (Sales to related parties / Total Sales) | 1.2% | 1.1% |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 99.5% | 99.5% |
| | d. Investments ( Investments in related parties / Total Investments made) | 100.0% | 99.8% |

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## LEADERSHIP INDICATORS

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programmes held | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| Nil | Nil | - |

Note: In FY 2024, we have conducted anti-bribery and anti-corruption training for our major suppliers. Additionally, we have launched a comprehensive sustainable supply chain program aimed at enhancing the sustainability performance of our entire supply chain.

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes. The Company follows a practice of obtaining annual disclosures from each Director at the commencement of the financial year to address conflict of interests involving members of the Board. Additionally, Directors are required to promptly disclose any changes in their interests throughout the year.

As a part of this process, any Director with a conflict of interest is restricted from participating in discussions or voting on matters where their personal interests are involved and they are present.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

### ESSENTIAL INDICATORS

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| S. No. | | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) | Details of improvements in environmental and social impacts |
|---|---|---|---|---|
| 1 | R&D | 2.61% | 3.4% | Improvements include enhanced energy conservation, energy efficiency, water management, resource optimization and safety management, strengthening the overall environmental and social impact of our projects. |
| 2 | Capex | 0.99% | 0.6% | |

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has a well-defined Supplier Code of Conduct, which incorporates different areas of what is expected of the Company's suppliers in accordance with the Group Values. The Company has laid adequate emphasis on sustainable sourcing practices such as consolidation of requirement, coordination with planning team to reduce material wastage, optimize inventory, maximize equipment efficiency and manage the life cycle cost of procured items. These steps are reinforced in the supply chain processes right from requirement gathering, vendor development, RFQ management, value engineering, awarding of the order, successful order execution, and a periodic vendor evaluation mechanism. As a part of vendor onboarding process, the Company conduct a comprehensive assessment of suppliers to determine their social, environmental & ethical performance and ensure 100% coverage of all value chain partners. The Supplier Code of Conduct covers anti-bribery requirements and HSE requirements. As part of the on-boarding process, all new suppliers must sign a declaration agreeing to follow this Code of Conduct and adhere to our anti-bribery and anti-corruption standards. KPIL also conforms to responsible sourcing with respect to emissions, safety, human rights and ethics, apart from the economic considerations as part of the sourcing procedure. The major suppliers of the Company have obtained national and international certifications with respect to environment management systems etc. Conformance to labour principles and related laws are mandatory qualification requirements for all supply and services.

Moreover, by leveraging digital technologies and data-driven strategies, KPIL enhanced its supply chain's flexibility, visibility, and responsiveness.

Moreover, KPIL adopted a global classification system "United Nations Standard Products and Services Code" for products and services used in procurement and supply chain management. This standard categorization of goods and services increases transparency for better utilization of inventory and reduce wastages. It also helps the Company to better track its procurement activities and identify areas where sustainable practices can be improved.

KPIL also automated its PR-PO activities by adopting e-Procurement platform, streamlining processes, enhancing resource efficiency, eliminating paper-based documentation and decreasing resource consumption and waste generation.

**b. If yes, what percentage of inputs were sourced sustainably?**

The Company's main material suppliers are well-known companies that have obtained essential ISO certifications related to environmental protection, product quality, and human rights protection within their organization.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

| Product | Process to safely reclaim the product* |
|---|---|
| Plastics (including packaging) | NA |
| E-waste | NA |
| Hazardous waste | NA |
| other waste | NA |

** (NA - Not Applicable) : Since the Company is not a consumer goods company, rather an EPC Company involved in Power Transmission and Distribution, Buildings & Factories, Water, Railways, Oil & Gas and Urban Infrastructure, there is no specific product to reclaim at the end of its life. However, appropriate measures are implemented to recycle, reuse and dispose the waste generated during the course of execution on the project sites, ensuring compliance with the regulatory requirements.*

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No

## LEADERSHIP INDICATORS

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product/Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/ No) If yes, provide the web-link. |
|---|---|---|---|---|---|
| LCA has not been conducted in FY2024 | | | | | |

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

| Name of Product/Service | Description of the risk / concern | Action Taken |
|---|---|---|
| - | - | - |

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**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
| NA | NA | NA |

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| | FY 2024 (Current Financial Year) | | | FY 2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | NA | NA | NA | NA | NA | NA |
| E-waste | NA | NA | NA | NA | NA | NA |
| Hazardous waste | NA | NA | NA | NA | NA | NA |
| Other waste | NA | NA | NA | NA | NA | NA |

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| NA | NA |

## Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

### ESSENTIAL INDICATORS

**1. a. Details of measures for the well-being of employees:**

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent Employees** | | | | | | | | | | | |
| Male | 8,158 | 8,158 | 100 | 8,158 | 100 | 0 | 0 | 8,158 | 100 | 8,158 | 100 |
| Female | 270 | 270 | 100 | 270 | 100 | 270 | 100 | 0 | 0 | 270 | 100 |
| **Total** | **8,428** | **8,428** | **100** | **8,428** | **100** | **270** | **100** | **8,158** | **100** | **8,428** | **100** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 1,431 | 1,431 | 100 | 1,431 | 100 | 0 | 0 | 0 | 0 | - | - |
| Female | 22 | 22 | 100 | 22 | 100 | 22 | 100 | 0 | 0 | - | - |
| **Total** | **1,453** | **1,453** | **100** | **1,453** | **100** | **22** | **100** | **0** | **0** | **-** | **-** |

**b. Details of measures for the well-being of workers:**

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 13 | 13 | 100 | 13 | 100 | 0 | 0 | 13 | 100 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **13** | **13** | **100** | **13** | **100** | **0** | **0** | **13** | **100** | **0** | **0** |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 12,194 | 12,194 | 100 | 12,194 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 137 | 137 | 100 | 137 | 100 | 137 | 100 | 0 | 0 | 0 | 0 |
| **Total** | **12,331** | **12,331** | **100** | **12,331** | **100** | **137** | **100** | **0** | **0** | **0** | **0** |

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

| | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| Cost incurred on well- being measures as a % of total revenue of the Company | 0.18% | 0.31% |

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

| Benefits | FY 2024 (Current Financial Year) | | | FY 2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | 100 | Yes | 100 | 100 | Yes |
| Gratuity | 100 | 100 | Yes | 100 | 100 | Yes |
| ESI | 100 | 100 | Yes | 100 | 100 | Yes |
| Others | - | - | - | - | - | - |

Note:

The above disclosure is calculated for all eligible employees/ workers.

ESI- The ESI available areas are covered with ESIC facility. However, in case of non-availability of ESIC, workmen compensation policy is subscribed.

**3. Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes. The Company has taken steps to ensure that its facilities are accessible to employees with disabilities. The provision of wheelchairs and ramps makes it easier for individuals with mobility impairments to navigate the premises independently. By offering these services, the Company demonstrates its commitment to inclusivity and providing equal opportunities for all employees, regardless of their physical abilities.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. The Company steadfastly upholds its Equal Opportunity Policy, a cornerstone of its commitment to fostering an environment of inclusivity and fairness. Central to this policy is the assurance of equal opportunities for all, without discrimination, including individuals with disabilities. By prioritizing accessibility and eliminating barriers to participation, the Company endeavors to create a workplace where every employee can thrive and contribute their unique talents and perspectives to our collective success.

For further details on our policies, interested stakeholders can access them through the following web-link: https://kalpataruprojects.com/api/view-file/Corporate%20Governance_policies%20&%20Guidelines_Equal%20Opportunity%20Policy.pdf

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**5. Return to work and retention rates of permanent employees that took parental leave.**

| Gender | Permanent Employees | | Permanent Workers | |
|---|---|---|---|---|
| | Return to work Rate (%) | Retention Rate* (%) | Return to work Rate (%) | Retention Rate (%) |
| Male | 100 | 89.42 | NA | NA |
| Female | 100 | 91.66 | NA | NA |
| **Total** | **100** | **89.53** | **NA** | **NA** |

*Retention rate can be attributed to varied reasons.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief. (If Yes, then give details of the mechanism in brief)**

| | | |
|---|---|---|
| 1 | Permanent workers | The Company has implemented a) Grievance Redressal Policy b) Whistleblower Policy and c) Anti Sexual Harassment Policy, among others. The employees / workers can raise their grievances under respective policies based on subject matter. We also have an internal portal for HR grievances (HR Helpdesk) where employees can lodge their complaints, which are handled by a dedicated team. The employees can track their complaints and resolution through the portal. For any whistleblower complain, it can be reported by calling on helpline number at +91-7923214100 or sending an email to abms@kalpataruprojects.com or by sending a complaint letter on the Company address - Kalpataru Projects International Limited, 101, Part III, G.I.D.C Estate, Sector 28, Gandhinagar -382028, Gujarat, India. Any complaint related to Sexual Harassment can be raised with any member of Internal Complaints Committee. Weblink to the policy: https://kalpataruprojects.com/api/view-file/Corporate%20Governance_policies%20&%20Guidelines_Grievance%20Redressal%20Policy.pdf |
| 2 | Other than Permanent Workers | |
| 3 | Permanent Employees | |
| 4 | Other than Permanent Employees | |

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Category | FY 2024 (Current Financial Year) | | | FY 2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total employees/ workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| **Total Permanent Employees** | | | | | | |
| Male | 8,158 | 0 | 0 | 7,555 | 0 | 0 |
| Female | 270 | 0 | 0 | 260 | 0 | 0 |
| **Total Permanent Workers** | | | | | | |
| Male | 13 | 0 | 0 | 23 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 |

Note: None of our permanent employees or workers are a part of recognized association(s) or Unions. The data presented for FY 2023 & FY 2022 in BRSR FY 2023 was covering contractual workers.

**8. Details of training given to employees and workers:**

| Category | FY 2024 (Current Financial Year) | | | | | FY 2023 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No (B) | % (B/A) | No (C) | % (C/A) | | No (E) | % (E/D) | No (F) | % (F/D) |
| | | | | | Permanent Employees | | | | | |
| Male | 8,158 | 5,076 | 62 | 5,318 | 65 | 7,555 | 4,503 | 60 | 5,819 | 77 |
| Female | 270 | 104 | 39 | 180 | 67 | 260 | 97 | 37 | 185 | 71 |
| **Total** | **8,428** | **5,180** | **61** | **5,498** | **65** | **7,815** | **4,600** | **59** | **6,004** | **77** |
| | | | | | Permanent Workers | | | | | |
| Male | 13 | 13 | 100 | 13 | 100 | 23 | 23 | 100 | 23 | 100 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **13** | **13** | **100** | **13** | **100** | **23** | **23** | **100** | **23** | **100** |

**9. Details of performance and career development reviews of employees and workers:**

| Category | FY 2024 (Current Financial Year) | | | FY 2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No (B) | % (B/A) | Total (C) | No (D) | % (D/C) |
| | | | Employees | | | |
| Male | 8,158 | 8,158 | 100 | 7,555 | 7,555 | 100 |
| Female | 270 | 270 | 100 | 260 | 260 | 100 |
| **Total** | **8,428** | **8,428** | **100** | **7,815** | **7,815** | **100** |
| | | | Workers | | | |
| Male | 13 | 13 | 100 | 23 | 23 | 100 |
| Female | 0 | 0 | 100 | 0 | 0 | 100 |
| **Total** | **13** | **13** | **100** | **23** | **23** | **100** |

*Note. All eligible employees have received performance and career development reviews. The FY2023 data has been revised on the basis of same disclosure approach*

**10. Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage of such system?**

Yes, the Company has successfully implemented an Occupational Health and Safety Management system, attaining certification in accordance with the ISO 45001:2018 Standard. This comprehensive system has been seamlessly integrated across all facets of the organization, reflecting our commitment to ensuring the health, safety, and well-being of our employees. By adhering to rigorous standards and protocols, we strive to create a work environment where occupational health & safety is paramount and risks are minimized, thereby fostering a culture of diligence, accountability, and continuous improvement.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Each business unit consistently conducts systematic activities to identify hazards arising from occupational activities on a regular basis. These hazards are then categorized according to their frequency and severity. Those deemed to pose a high severity risk are classified as critical, prompting immediate actions to minimize or eradicate them. Furthermore, even if certain risks have a lower probability, if they are perceived as critical, proactive measures are taken to mitigate their impact. This approach is applied to all operational and occupational activities that are routine and non-routine.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, we have established a structured process in place. Workers undergo comprehensive awareness training at every stage, starting from identifying hazardous activities to understanding the associated risks and outcomes. Additionally, we ensure that workers have access to appropriate communication channels through various means, including daily meetings, weekly safety committee sessions led by department heads and project leadership teams. Furthermore, monthly safety committee meetings are convened to address performance evaluations and any emerging issues that may impact Environment, Health, and Safety (EHS) performance. All our employees and workers are empowered to highlight and report work related hazards to the Project/Plant Manager or EHS Officer.

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**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, we provide non-occupational medical and healthcare services to our employees.

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number | Category | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | 0.084 | 0.078 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 81* | 16 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 2 | 7 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

**From FY 2024 we have revised the accounting methodology to cover RWC (Restricted Work Cases) & MTC (Medical Treatment Cases) for reporting Total recordable work-related injuries.*

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

All workplace conditions undergo thorough assessments to ensure a safe and conducive environment. Should any area be deemed unsuitable for work due to safety concerns, it is immediately restricted until repairs are completed. Regular internal audits and safety walk-downs are conducted to maintain vigilance. The Company remains abreast of occupational and contagious diseases, implementing preventive measures to uphold a healthy workplace. Safety inductions are provided to workers upon joining. Additionally, monthly motivational programs are organized, wherein safety-conscious employees and workers are acknowledged and rewarded with gifts. Our senior management is deeply committed to health and safety, regularly reviewing and providing guidance on related matters.

**13. Number of Complaints on the following made by employees and workers:**

| Category | FY 2024 (Current Financial Year) | | | FY 2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 2 | 0 | - | 0 | 0 | - |
| Health & Safety | 2 | 0 | - | 0 | 0 | - |

**14. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties)* |
|---|---|
| Health and safety practices | 100 |
| Working Conditions | 100 |

**All our facilities and manufacturing plants undergo 3 layer internal assessments- location based assessment, regional office assessment and corporate assessment. Each facility is assessed at least once in a quarter internally.*
*External assessment are carried out by Clients, Third Party Certification agencies, Government and regulatory authorities at regular intervals.*

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Within the organization, there exists a structured incident investigation process, ensuring thorough examination of all incidents, dissemination of lessons learned, and prompt initiation of corrective actions across every project site. Hazard Identification & Risk Assessment (HIRA) undergoes regular review and dissemination to relevant authorities. The planned corrective actions are executed and finalized for the FY 2024. Disciplinary actions as per the corporate policies has been initiated against the volition of EHS procedures and policies. Comprehensive counselling and refresher training sessions are organized for the entire crew at designated sites, aiming to reinforce safety protocols and bolster awareness among our workforce.

Innovative initiatives include the development of a Virtual Reality training module and Learning Management System (LMS) module, strategically designed to enhance awareness and elevate training effectiveness across the organization.

## LEADERSHIP INDICATORS

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

(A) Employees: Yes

(B) Workers: Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company routinely performs statutory compliance reviews and due diligence assessments on their value chain partners to uphold strict adherence to regulations concerning dues deduction. Ensuring comprehensive incorporation of all relevant clauses related to statutory dues within agreements with value chain partners is a priority for the Company.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 2 | 7 | 2 | 7 |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes. The Company offers transition programs designed to support individuals during their transition phase, ensuring their capacity to empower them and effectively navigate the conclusion of their careers as they near retirement.

**5. Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | Nil |
| Working conditions | Nil |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

1. All LTIFR incidents are duly investigated, lessons learned are disseminated and corrective actions are initiated immediately at all project sites. HIRA is revised and shared with all concerned authorities. The corrective actions planned are implemented and completed for FY 2023 & FY 2024.

2. Counselling and refresher trainings sessions are arranged for the entire project team at specific sites.

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## Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

### ESSENTIAL INDICATORS

**1. Describe the processes for identifying key stakeholder groups of the entity.**

KPIL has a robust stakeholder identification process which is developed considering the nature of business operations and activities involved. Mapping of the internal and external stakeholders is carried out by assessing their influence, impact and importance of each stakeholder on business operations, growth and revenue generation of the Company. In order to identify the relevant stakeholders, we have developed a matrix prioritizing the key stakeholders. We practice periodical coordination, monitoring and engaging with all stakeholders fostering good relationship. The steps involved in our stakeholder identification process is elaborated below which includes stakeholder identification, review process, adopted channels for communication and frequency of engagement.

a. **Stakeholder Identification:** The key factors considered in stakeholder identification process includes impact, interest, legitimacy, influence, and criticality. All stakeholders are covered to understand their concerns, needs, expectations and actions are prioritized by the Company accordingly.

b. **Review Process:** The Company periodically reviews and make necessary changes in the stakeholder identification process considering changes in regulatory guidelines, business operations & services, market trends and significant changes in ESG related practices. Regular interaction with all stakeholders is carried out and feedback is taken in timely manner for addressing their concerns.

c. **Channels of Communication:** Each stakeholder is consulted and communicated through various channels such as direct & virtual meetings, site visits, feedback surveys, focused group discussions, email communication and periodical meetings. An appropriate method is chosen considering the accessibility, number of members involved in each stakeholder group and their availability.

d. **Frequency of Engagement:** The frequency of engagement may vary for each stakeholder group depending up on the needs and priorities that the Company identifies through review process. The timeline for stakeholder engagement and consultation may include daily, weekly, quarterly, half-yearly and annually.

Based upon the stakeholder identification process, the Company established accountability by assigning resources, roles & responsibilities, proactive & tailored engagement programs considering the needs and importance of each stakeholder. We also conduct regular awareness programs on stakeholder engagement practices to be followed for resolving their concerns and monitoring of stakeholder engagement related activities.

Several internal and external stakeholders identified by the Company are provided below:

- Employees: Contributes to the overall productivity, performance and to achieve sustainable vision of the Company.
- Investors & Shareholders: Play a significant role by influencing both financial and non-financial performance of the Company.
- Customers: May influence the overall growth of the Company and all products & services are designed to meet their requirements.
- Suppliers: Helps in distribution of materials, products and services in a timely manner.
- Communities: Well-being of local communities and socio-economic development prevents the conflict between local communities and the Company.
- Governments and Regulatory Bodies: Responsible for formulation and implementation of laws, regulations and guidelines for conducting the business operations in an ethical manner by practicing transparency and accountability.
- Directors: Responsible for overall direction, strategy and policy making, deploying resources and to review the progress.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

| Stakeholder group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No | Engagement surveys, newsletters & notices, training and development initiatives, town-halls, get-togethers, cultural events. | Quarterly | Employee engagement, Employee capability development, career progression, Reward and Recognition, fair remuneration, effective performance management and recognition, diverse, inclusive and enabling work culture, work-life balance. |
| Investors and Shareholders | No | Quarterly Earnings Calls, Investor Conferences, Investor meetings, Company Website, Investor Presentations, Press Releases and financial Reports, Communication of financial results via prominent newspapers, Information pertaining to Dividends, Notices and AGM communicated via e-mail. | Quarterly (In case of AGM, annually) | Financial performance, ethical, anti-bribery & anti- corruption practices, risk modeling, protection of rights of all stakeholders, robust strategy for long-term value creation. |
| Customers | No | Client meetings, Periodic Project, Review Meetings, Performance Reports | Quarterly | Product pricing, innovation and IT deployment, customer privacy and data protection, customer service and claim settlement, ethical, anti-bribery & anti-corruption practices, customized solutions. |
| Suppliers | No | Site visits and inspection, Supplier's visits, Regular interactions | Annual | Ethical, anti-bribery & anti-corruption practices, transparency, on-time settlement of invoices, fair registration & procurement process, sustained business opportunities. |
| Communities | Yes | Community projects, Employee volunteerism Awareness workshops, Direct and mediated interactions | Ongoing | Transparency, advancing sustainability, ethical, anti-bribery & anti-corruption practices, contribution to community welfare, healthier & safer societies. |
| Government and Regulatory Authorities | No | Responding to Government circulated notifications, Statutory Filings & Disclosures | As and when required | Disclosures, corporate governance, adequacy of solvency, fair & transparent reporting, timely compliances, statutory and legal compliance, support for government policy. |
| Senior Leadership | No | Meetings, In person discussion, Proposals, Policies, Approvals, Notifications | As and when required | Policy, KPI/Targets, capex approvals, ESG performance review. |

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## LEADERSHIP INDICATORS

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Consultation with all stakeholders on economic, environmental and social topics is carried out on periodical basis through direct interaction, surveys and other platforms as presented in Principle 4 Question 2. The feedback obtained from such consultations is analyzed by the respective business heads and responsible committees such as Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee etc. The recommendations from these Committees after review and analysis is updated to the Board during board meetings for further proceedings and decision making aligning with the sustainability and business strategy of the Company. The decisions taken by the Board and measures taken by the Company addressing the concerns which are raised through the feedback mechanism is communicated to the stakeholders.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. The Company has identified Environment Social and Governance (ESG) related material issues relevant to the Company by conducting materiality assessment. Our holistic ESG materiality assessment approach considered the following aspects:

a. Survey responses from senior management & employees of KPIL and other relevant stakeholders of the Company identified through stakeholder identification process.

b. Importance and weightage given by various Sustainability frameworks on ESG material issues.

c. Peer companies' priorities on ESG material issues.

Based on the survey results and assessment criteria, the prioritization of ESG material issues is carried out and incorporated into the Company's sustainability strategy and policies including goals, targets & commitments. The progress and achievements made by the Company towards sustainability strategy is reviewed on an annual basis.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

No instances occurred.

## Principle 5: Businesses should respect and promote human rights

## ESSENTIAL INDICATORS

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2024 (Current Financial Year) | | | FY 2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 8,428 | 8,428 | 100 | 7,815 | 7,815 | 100 |
| Other than permanent | 1,453 | 1,453 | 100 | 2,000 | 2,000 | 100 |
| **Total Employees** | **9,881** | **9,881** | **100** | **9,815** | **9,815** | **100** |
| **Workers** | | | | | | |
| Permanent | 13 | 13 | 100 | 23 | 23 | 100 |
| Other than permanent | 12,331 | 12,331 | 100 | 13,048 | 13,048 | 100 |
| **Total Workers** | **12,344** | **12,344** | **100** | **13,071** | **13,071** | **100** |

**2. Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2024 (Current Financial Year) | | | | | FY 2023 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No (B) | % (B/A) | No (C) | % (C/A) | | No (E) | % (E/D) | No (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 8,158 | - | - | 8,158 | 100 | 7,555 | - | - | 7,555 | 100 |
| Female | 270 | - | - | 270 | 100 | 260 | - | - | 260 | 100 |
| **Other than Permanent** | | | | | | | | | | |
| Male | 1,431 | - | - | 1,431 | 100 | 1,991 | - | - | 1,991 | 100 |
| Female | 22 | - | - | 22 | 100 | 9 | - | - | 9 | 100 |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 13 | - | - | 13 | 100 | 23 | - | - | 23 | 100 |
| Female | 0 | - | - | 0 | NA | 0 | - | - | 0 | NA |
| **Other than Permanent** | | | | | | | | | | |
| Male | 12,194 | - | - | 12,194 | 100 | 12,929 | - | - | 12,929 | 100 |
| Female | 137 | - | - | 137 | 100 | 119 | - | - | 119 | 100 |

**3. Details of remuneration/salary/wages, in the following format:**

**a. Median remuneration/wages:**

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category (INR) | Number | Median remuneration/ salary/ wages of respective category (INR) |
| Board of Directors (BoD) | 8 | 1.38 crores | 1 | 0.54 crores |
| Key Managerial Personnel | 3 | 8.61 crores | 1 | 1.03 crores |
| Employees other than BoD and KMP | 8,155 | 7.16 lacs | 269 | 6.61 lacs |
| Workers | 13 | 5.07 lacs | 0 | - |

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

| | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| Gross wages paid to females as % of total wages | 2.81% | # |

*Note: # We have initiated the calculation for this indicator from FY 2024.*

**4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, KPIL is committed to upholding human rights across its operations and throughout its value chain, which includes employees, workers, and other essential stakeholders. We have implemented robust systems and procedures to ensure transparency, fairness, and equality. Our Corporate Human Rights Policy outlines the responsibilities and behavioral expectations for all entities engaging with KPIL, including compliance with relevant human rights and national laws, prevention of human rights abuses, respect for the rights of individuals in affected communities, and the promotion of nondiscriminatory practices. This policy is applicable to our subsidiaries, joint ventures, suppliers, vendors, and contractors. A specific committee within KPIL is tasked with addressing any human rights issues that arise. Employees can lodge their complaints, which are handled by a dedicated team. The employees can track their complaints and resolution through the portal.

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**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

KPIL has a Human Rights Policy with detailed guidelines on reporting of human rights related complaints/ issues and redressal mechanisms. All employees and workers of KPIL should strictly adhere to the Human Rights and Code of Conduct policies and guidelines. These policies and guidelines are applicable to all employees and workers regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Implementation of human rights policies and principles carried out across all business operations, value chain partners and other stakeholders with whom we operate. We regularly conduct human rights related training programs to all employees and workers and periodical assessments are carried out to identify violation of human rights if any. We ensure basic human rights and freedom at workplace to all employees and workers and provide dignity, fairness, respect and equality at workplace. Any human rights related complaints/ issues such as injustice, criticism, unfairness or violation of dignity shall be reported through the site management team, one-to-one interactions, safety meetings, periodic assessment and other forums. We also have an internal portal for HR grievances (HR Helpdesk) where Employees can lodge their complaints, which are handled by a dedicated team. The employees can track their complaints and resolution through the portal.

**6. Number of complaints on the following made by employees and workers:**

| | FY 2024 (Current Financial Year) | | FY 2023 (Previous Financial Year) | |
|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Filed during the year | Pending resolution at the end of year |
| Sexual Harassment | 1 | Nil | 1 | Nil |
| Discrimination at workplace | Nil | Nil | Nil | Nil |
| Child Labour | Nil | Nil | Nil | Nil |
| Forced labour/ Involuntary labour | Nil | Nil | Nil | Nil |
| Wages | Nil | Nil | Nil | Nil |
| Other human rights related issues | Nil | Nil | Nil | Nil |

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 1 | 1 |
| Complaints on POSH as a % of female employees/ workers | 0.23 | 0.26 |
| Complaints on POSH upheld | Nil | Nil |

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has established a formal mechanism for addressing complaints of sexual harassment, embodied in a structured POSH committee aligned with the Company's Anti-Sexual Harassment Policy. Moreover, the Company has ensured compliance with the provisions outlined in the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

**10. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100 |
| Forced/involuntary labour | 100 |
| Sexual Harassment | 100 |
| Discrimination at workplace | 100 |
| Wages | 100 |
| Others - please specify | - |

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above**

During the FY 2024, no significant risks or concerns were found throughout the assessment, thus prompting no need for corrective actions.

## LEADERSHIP INDICATORS

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

The Company has processes to address any human rights grievances or complaints, e.g., Grievance redressal policy, Prevention of Sexual Harassment at Workplace Policy, corporate Human Rights Policy etc. Further, the Company also introduced improvement measures for its employees through new policies for parental leaves, sabbatical leaves, higher education, etc.

**2. Details of the scope and coverage of any human rights due-diligence conducted.**

Human rights due diligence was not conducted during the reporting year.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The Company's premises are designed to be fully accessible, ensuring that differently abled employees and visitors can navigate them comfortably and safely.

**4. Details on assessment of value chain partners:**

| Section | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | Nil |
| Discrimination at workplace | Nil |
| Child Labour | Nil |
| Forced Labour/Involuntary Labour | Nil |
| Wages | Nil |
| Others - please specify | Nil |

Note: Value chain partners such as material suppliers, contractors are evaluated periodically. However, major material suppliers including raw material, capital machineries and high value suppliers are assessed based on Kalpataru Supplier Code of Conduct and parameters such as child labour, forced labour, sexual harassment, and discrimination. We are in the process of strengthening our data management practices to quantify the percentage of value chain partners covered in the assessment and we will be disclosing the data in the coming financial years.

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

During the FY 2024, no significant risks or concerns were found in the assessments conducted for our value chain partners based on Kalpataru Supplier Code of Conduct. Thus, prompting no need for corrective actions.

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## Principle 6: Businesses should respect and make efforts to protect and restore the environment

### ESSENTIAL INDICATORS

**1. Details of total energy consumption (in GJ) and energy intensity, in the following format:**

| Parameter | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 47,095 | 47,783 |
| Total fuel consumption (B) | 0 | 0 |
| Energy consumption through other sources (C) | 0 | 0 |
| **Total energy consumed from renewable sources (A+B+C)** | **47,095** | **47,783** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 1,14,201 | 152,613 |
| Total fuel consumption (E) | 10,24,165 | 7,72,296 |
| Energy consumption through other sources (F) | 0 | 0 |
| **Total energy consumed from non-renewable sources (D+E+F)** | **11,38,366** | **9,24,909** |
| **Total energy consumed ( A+B+C+D+E+F)** | **11,85,461** | **9,72,692** |
| **Energy Intensity per rupee of turnover** (Total energy consumption in GJ/ Rs. Crore of Revenue) | 70.7 | 67.8 |
| **Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed in GJ/ Revenue from operations adjusted for PPP) | 70.2 | # |
| Energy intensity (optional)- the relevant metric may be selected by the entity- (Total energy consumed in GJ/Employee) | 119.9 | 99 |

*#We have initiated the calculation for this indicator from FY 2024 only.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance has been undertaken by M/s TÜV SÜD South Asia.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, none of our plants or projects sites are identified as designated consumers (DCs)

**3. Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | 5,88,795 | 8,05,307 |
| (ii) Groundwater | 6,35,905 | 12,34,025 |
| (iii) Third party water | 1,410,279 | 9,33,178 |
| (iv) Seawater / desalinated water | 123 | 2,535 |
| (v) Others | 56,684 | 1,09,500 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **2,691,786** | **30,84,545** |
| **Total volume of water consumption (in kilolitres)** | **2,454,699** | **29,61,163** |
| Water intensity per rupee of turnover (Water consumed in KL/ Rs. Crore of Revenue) | 146.4 | 207 |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption in KL / PPP adjusted revenue in Rs. Crore) | 145.4 | # |
| **Water intensity** (optional) – the relevant metric may be selected by the (Total water consumption in KL/ Employee) | 248.4 | 302 |

*#We have initiated the calculation for this indicator from FY 2024 only.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, assurance has been undertaken by M/s TÜV SÜD South Asia

**4. Provide the following details related to water discharged:**

| Parameter | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | 49,188 | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | | - |
| (ii) To Groundwater | | |
| - No treatment | 176,272 | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) To Seawater | | |
| - No treatment | 5.86 | - |
| - With treatment – please specify level of treatment | | - |
| (iv) Sent to third-parties | | |
| - No treatment | | - |
| - With treatment – please specify level of treatment | 11,621 - Secondary treatment | - |
| (v) Others | | |
| - No treatment (Used for gardening purposes) | | - |
| - With treatment – please specify level of treatment | | - |
| **Total water discharged (in kilolitres)** | **237,087** | - |

*Note: The water discharged is the fresh water withdrawn in excess for consumption and water that doesn't require further treatment.*

*We were in the process of improving our data management practices in FY2023, as a result data has been shared for FY2024 only.*

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, assurance has been undertaken by M/s TÜV SÜD South Asia.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. 100% of the plant operations is Zero Liquid Discharge. All of our 4 plants (i.e., 2 in Rajasthan, 1 in Gandhinagar, 1 in Raipur) have Zero Liquid Discharge mechanism. The water is used for landscaping and toilet flushing.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|---|
| NOx | µg/m3 | 33 | 37 |
| SOx | µg/m3 | 42 | 44 |
| Particulate matter (PM) | µg/m3 | 40 | 38 |
| Persistent organic pollutants (POP) | - | - | - |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | mg/m3 | Nil | Nil |
| Others- please specify | PPM | Nil | Nil |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, assurance has been undertaken by M/s TÜV SÜD South Asia.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

| Parameter | Unit | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of $CO_2$ equivalent | 69,933 | 50,494 |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of $CO_2$ equivalent | 22,523 | 30,099 |

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| Parameter | Unit | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|---|
| **Total Scope 1 and Scope 2 emissions intensity rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions/ Rs. Crore of Revenue) | tCO2e/ PPP adjusted revenue in Rs. Crore | 5.52 | 5.62 |
| **Total Scope 1 and Scope 2 Emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) | tCO2e/ INR in Cr | 5.48 | # |
| **Total Scope 1 and Scope 2 emission intensity** (optional) – the relevant metric may be selected by the entity | tCO2e/ employee | 9.36 | 8.21 |

*#We have initiated the calculation for this indicator from FY 2024 only.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance has been undertaken by M/s TÜV SÜD South Asia.

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

In FY 2024, KPIL significantly advanced its commitment to reducing greenhouse gas (GHG) emissions through strategic enhancements in renewable energy utilization and operational efficiencies. Key initiatives included:

- The installation of solar power units at our Raipur and Gandhinagar plants, with capacities of 1350 KWp and 450 KWp, respectively.
- Transitioned the fuel usage at our Raipur plant from LPG to propane gas, aligning with our strategy to minimize our carbon footprint supporting the environmental objectives.
- KPIL has installed 377 kWp of solar panels across 37 sites of all our business divisions. This initiative is expected to reduce our carbon emissions by 450 MT CO2e annually.
- KPIL has also adopted energy-efficient Brushless Direct Current (BLDC) motor fans in 216 units across our sites and worker housing, which are projected to save up to 65% in energy compared to conventional fans and contribute an additional annual reduction of 24 tons in GHG emissions.

These strategic initiatives reflect KPIL's ongoing dedication to environmental responsibility and our pursuit of innovative solutions to foster a sustainable operational framework.

**9. Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| **Total Waste generated (in MT)** | | |
| Plastic waste (A) | 644.3 | 230.1 |
| E-waste (B) | 5.14 | 4.2 |
| Bio-medical waste (C) | 2.34 | 0.1 |
| Construction and demolition waste (D) | 36,561.9 | 16,936 |
| Battery waste (E) | 7.07 | 0.7 |
| Radioactive waste (F) | 0 | 0 |
| Other hazardous waste. Please specify, if any. (G) | 4,490.7 | 6,234.7 |
| Other non-hazardous waste generated (H). Please specify, if any. | 24,820.9 | 257 |
| **Total (A+B + C + D + E + F + G + H)** | **66,532** | **23,663** |
| **Waste intensity per rupee of turnover** (Total waste generated in MT / Rs. Crore of Revenue) | 3.97 | 1.65 |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated/PPP adjusted revenue in Rs. Crore) | 3.94 | # |

*#We have initiated the calculation for this indicator from FY 2024 only.*

*As a part of continuous improvement process we have strengthened our data management practices resulting in maturity of waste management accounting.

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

| Category of waste | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| (i) Recycled | 29,237 | 20,434 |
| (ii) Re-used | 2,368 | 762 |
| (iii) Other recovery operations | 34 | 1,220 |
| **Total** | **31,639** | **22,416** |

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

| Category of waste | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| (i) Incineration | 4.7 | 9.5 |
| (ii) Landfilling | 30,316* | 1,220 |
| (iii) Other disposal operations | 0 | 0 |
| **Total** | **30,320** | **1,229.5** |

**As a part of continuous improvement process we have strengthened our data management practices resulting in maturity of waste management accounting.*

Note Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, assurance has been undertaken by M/s TÜV SÜD South Asia.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Our systems and practices are in line with the industry's best practices complying the norms of the pollution control board. We minimize the waste generation by implementation of 3R waste management hierarchy (Reduce, Reuse & Recycle), produce value added products, practice recovery of energy through combustion of waste and divert the waste going to the landfill. Our hazardous waste is managed as per the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016 published by the Central Pollution Control Board. The disposal of respective categories of wastes is carried out only through the authorized agencies by the urban local body and pollution control boards. We continuously improve our products, processes & systems to reduce usage of hazardous and toxic chemicals and ensure disposal of such wastes, if any, in a safe and responsible manner.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, specify details in the following format:**

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| The Company does not have any plants and offices in the above mention areas. Being an EPC Company, operations are carried out at the project sites where environmental approval and clearances are obtained by the clients/owners of the projects. | | | |

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of the project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Being an EPC Company, operations are carried out at the project sites where environmental impact assessments of projects are undertaken by the clients/owners of the projects. | | | | | |

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**13. Is the entity compliant with the applicable environmental law / regulations / guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and *rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:***

Yes. The Company is compliant with the applicable laws pertaining to Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and rules thereunder.

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| Not Applicable | | | | |

## LEADERSHIP INDICATORS

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

Note: We are undertaking a comprehensive water risk assessment exercise to identify our operations in water stressed areas. We will be reporting on the same in coming years.

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| ***Water withdrawal by source (in kilolitres)*** | | |
| (i) To Surface water | - | - |
| (ii) Groundwater | - | - |
| (iii) Third party water | - | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| **Total volume of water withdrawal (in kilolitres)** | - | - |
| **Total volume of water consumption (in kilolitres)** | - | - |
| **Water intensity per rupee of turnover** (Water consumed / turnover) | - | - |
| **Water intensity** (optional) – the relevant metric may be selected by the entity | - | - |
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | | |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (ii) To Groundwater | | |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) To Seawater | | |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties | | |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (v) Others | | |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| **Total water discharged (in kilolitres)** | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

**2. *Please provide details of total Scope 3 emissions & its intensity, in the following format:***

Note: We are in the process of calculating our Scope 3 emissions and will be reporting the same in the coming years.

| Parameter | Unit | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into $CO_2$, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | - | - |
| **Total Scope 3 emissions per rupee of turnover** | | - | - |
| **Total Scope 3 emission intensity** (optional) – the relevant metric may be selected by the entity | | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

**3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | KPIL has installed 1,350 KWp solar unit at Raipur Plant to increase use of Renewable energy | Please refer the Natural Capital section of the Annual Report FY 2024 (page 110–121) | Reduction of GHG emission by ~1,050 tons per year |
| 2 | KPIL has installed 450 KWp solar unit at Gandhinagar Plant to increase use of Renewable energy | Please refer the Natural Capital section of the Annual Report FY 2024 (page 110 -121) | Reduction of GHG emission by ~330 tons per year |
| 3 | KPIL has changed the Fuel used at Raipur plant from LPG to Propane gas, to curb GHG emissions. Provided dedicated storage Capacity | Please refer the Natural Capital section of the Annual Report FY 2024 (page 110 -121) | Reduction of GHG emission by 16% |
| 4 | Automated painting booth is installed with conveyor facility at our Raipur Plant | Please refer the Natural Capital section of the Annual Report FY 2024 (page 110-121) | Better work environment |
| 5 | Conveyour facility to shift the bundles at Gandhinagar & Raipur plant to reduce the consumption of diesel operated vehicles | Please refer the Natural Capital section of the Annual Report FY 2024 (page110-121) | Reduction of time from 5 days to 1 day |
| 6 | Hydrogeological survey and hydrological survey to install rain water harvesting structure at our Uniara Renewable Power Generation Plant (Biomass) | Please refer the Natural Capital section of the Annual Report FY 2024 (page 110-121) | 84,000 KL of rain water harvesting per year |
| 7 | BLDC or Brushless direct current motor Fans provided in our SIO sites and worker housing 216 no's', Unlike traditional fans, BLDC fans use electronic commutation to control the speed of the motor, resulting in energy savings of up to 65% compared to conventional fans. We decided to purchase BLDC Fans for our future requirements. | Please refer the Natural Capital section of the Annual Report FY 2024 (page110-121) | 24 tons GHG emission reduction every year with no compromise on delivery of ir |
| 8 | The Company has installed solar power panels of 377 kWp across 37 projects to cater to energy needs in project site, stores, project office, guest-houses, worker housing etc. | Please refer the Natural Capital section of the Annual Report FY 2024 (page 110-121) | 450 tons of GHG emission reduction per year |

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| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 9 | The Company's B&F business stored around 400 lakh litres rain harvested water in the pond at IIT Tirupati Project site for the reuse of it for various construction activities, dust suppuration, consolidation etc. | Please refer the Natural Capital section of the Annual Report FY 2024 (page110-121) | 4,000 KL of rain water harvesting |
| 10 | The Company's B&F business has segregated and graded around 6000 M3 of construction waste and reused it for various construction activities and back filling. | Please refer the Natural Capital section of the Annual Report FY 2024 (page 110-121) | Avoided 3,484 tons $CO_2e$ emissions |

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, the Company has an emergency preparedness plan covering all projects sites and business operations with detailed guidelines, procedures and action plans for mitigating the risks and impacts in a timely manner. In the event of any major disruption such as process hazard, natural calamities; we have an appropriate action plan for the identified risks to respond to, mitigate the effects of, and restore the operations. We have conducted training and awareness programs to all employees and workers by providing the details of signaling mechanisms, roles & responsibilities, assembly points, medical arrangements to be followed in case of any business disruption.

We have appropriate systems, procedures and mechanisms to address various risks through implementation of emergency preparedness plan and guidelines on appropriate practices to be followed during the occurrence of any disaster.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

There have been no reports of significant adverse environmental impacts within our value chain. To mitigate potential risks and promote sustainable practices, all vendors and service providers are required to comply with the Kalpataru Supplier Code of Conduct. These guidelines mandates adherence to environmental regulations and encompasses various standards including health and safety, labour practices, human rights, and ethical behavior. Additionally, the code enforces strict prohibitions against child and forced labour, ensures the maintenance of minimum wage requirements, supports freedom of association, and advocates for environmental conservation. These measures are integral to our commitment to responsible business conduct and sustainability.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**

The Company ensures compliance with our internal policies across our value chain. All principal material suppliers are required to certify adherence to the Kalpataru Supplier Code of Conduct, which includes commitments to environmental regulations. We are actively improving our evaluation and auditing processes to be more aligned with specific sustainability criteria and other critical material concerns. This initiative is part of our ongoing effort to enhance environmental stewardship among our value chain partners.

## Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers / associations:** 10

   b. **List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.**

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|---|---|---|
| 1 | Confederation of Indian Industry (CII) | National |
| 2 | Federation of Indian Chamber of Commerce and Industry (FICCI) | National |
| 3 | The Associated Chambers of Commerce and Industry of India (ASSOCHAM) | National |
| 4 | Indian Electrical & Electronics Manufacturers' Association (IEEMA) | National |
| 5 | Project Exports Promotion Council of India (PEPCI) | National |
| 6 | EEPC India (Engineering Exports Promotion Council) | National |
| 7 | International Pipeline & Offshore Contractors Association | National |
| 8 | Cable and Conductors Manufacturers Association of India (CCMAI) | National |
| 9 | Central Board of Irrigation and Power (CBIP) | National |
| 10 | Gujarat Chamber of Commerce and Industry (GCCI) | State |

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| Nil | Nil | Nil |

### LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

KPIL refrains from involvement in lobbying activities. Senior executives of KPIL hold memberships in industry bodies engaged in shaping public policy related to industry & business. KPIL's advocacy efforts are primarily directed towards areas of governance, economic reform, and energy security, with a steadfast commitment to advocating for the broader public good.

| S. No. | Public Policy Advocated | Method resorted for such advocacy | Whether information available in public domain (Yes / No) | Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others- please specify | Relevant Web link |
|---|---|---|---|---|---|
| | None | None | None | None | None |

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## Principle 8: Businesses should promote inclusive growth and equitable development

### ESSENTIAL INDICATORS

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of the project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| We did not conduct SIA in FY 2024. | | | | | |

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format:**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| No rehabilitation and resettlement was undertaken by the entity during the reporting year. | | | | | | |

**3. Describe the mechanisms to receive and redress grievances of the community**

The CSR team and the Projects/Plant teams maintain regular communication with the community both at the Plant and Project site locations. This ongoing engagement with key community stakeholders ensures that grievances are addressed locally. The Plant & Site location teams serve as the primary contact for local communities, and grievance resolution primarily occurs through direct, one-on-one interactions.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 10.48% | 15.4% |
| Directly from within India | 88.7% | # |

*#We have initiated the calculation for this indicator from FY 2024.*

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

| Location | FY 2024 (Current Financial Year)* | FY 2023 (Previous Financial Year) |
|---|---|---|
| Rural | 3.80% | # |
| Semi-urban | 5.76% | |
| Urban | 20.79% | |
| Metropolitan | 69.64% | |

*Note: *Data is of 2471 employees, who joined in FY 2024*

*#We have initiated the calculation for this indicator from FY 2024.*

### LEADERSHIP INDICATORS

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|---|---|
| NA | NA |

**2. *Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:***

| S. No. | State | Aspirational District | Amount Spent (In INR lacs) |
|---|---|---|---|
| 1 | Odisha | Dhenekal | 7.03 |
| 2 | Odisha | Koraput | 6.48 |
| 3 | Odisha | Gajapati | 5.27 |
| 4 | Odisha | Pakur | 4.72 |
| 5 | Odisha | Godda | 4.72 |
| 6 | Assam | Darrang | 4.72 |
| 7 | Jharkhand | Khunti | 19.95 |

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

KPIL is one of the leading global power transmission and infrastructure EPC companies. Our procurement strategy primarily involves sourcing industry-specific, standard items from client-approved vendors. While we do not currently operate under a preferential procurement policy targeting marginalized or vulnerable groups, we are committed to ethical practices and diversity in our supply chain. In FY 2024 our procurement from MSME / small vendors was 10.48% of our total procurement.

**(b) From which marginalized /vulnerable groups do you procure?**

Not Applicable

**(c) What percentage of total procurement (by value) does it constitute?**

Not Applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| As the Company is engaged in the EPC business, the concept of deriving and sharing benefits from intellectual properties based on traditional knowledge is not applicable to our operations. | | | | |

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| As the Company is engaged in the EPC business, the concept of deriving and sharing benefits from intellectual properties based on traditional knowledge is not applicable to our operations. | | |

**6. Details of beneficiaries of CSR Projects:**

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | Kalpa Aarogya Seva (KARE) | 53,072 | All the CSR projects include beneficiaries from vulnerable and marginalised backgrounds, including women, children, persons with disabilities, elderly, Scheduled Caste, Scheduled Tribe, Other backward classes, etc. No bifurcation of such data was done in FY 2024 |
| 2 | Kalpa Vidya Kalpa Kaushal (KVKK) and Shiksha Abhiyan | 27,778 | |
| 3 | Kalpa Gramoday and Unnati Abhiyan | 2,727 | |
| 4 | SAVIOUR and Paryavaran Abhiyan | 5,194 Animals, 5,810 Beneficiaries & 800 saplings | |

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## Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

### ESSENTIAL INDICATORS

**1. *Describe the mechanisms in place to receive and respond to consumer complaints and feedback.***

KPIL specializes in providing industrial inputs for commercial applications and does not engage directly with end consumers. Our Company's approach to customer feedback is centered around satisfactory completion of infrastructure projects, through which we receive detailed project completion reports. These reports serve as a testament to our project execution capabilities, ethical business conduct, and strict compliance with agreed-upon specifications and contractual obligations, ensuring a high degree of customer satisfaction.

**2. Turnover of products and / services as a percentage of turnover from all products/ service that carry information about:**

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | As an EPC company, KPIL's core business activities do not require specific labeling about environmental and social parameters, safe usage, or recycling and disposal; hence, this metric is not applicable to our operations. |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

**3. Number of consumer complaints in respect of the following:**

| | FY 2024 (Current Financial Year) | | | FY 2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | Nil | Nil | Nil | Nil | Nil |
| Advertising | Nil | Nil | Nil | Nil | Nil | Nil |
| Cyber-security | Nil | Nil | Nil | Nil | Nil | Nil |
| Delivery of essential services | Nil | Nil | Nil | Nil | Nil | Nil |
| Restrictive Trade Practices | Nil | Nil | Nil | Nil | Nil | Nil |
| Unfair Trade Practices | Nil | Nil | Nil | Nil | Nil | Nil |
| Other | - | - | - | - | - | - |

**4. Details of instances of product recalls on accounts of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | As an EPC company, KPIL does not engage in the manufacture or sale of consumer products; therefore, instances of product recalls, whether voluntary or forced due to safety issues, are not applicable to our operations. | |
| Forced recalls | | |

**5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, KPIL is committed to maintaining the highest standards of cybersecurity and data privacy under the guidance of our Risk Management Committee. Our comprehensive Cyber Security Assurance Framework addresses three critical areas: people, processes, and technology. To bolster awareness, we conduct ongoing online cybersecurity campaigns focusing on phishing and email security. We also ensure that our network devices, server operating systems, and hardware receive periodic upgrades to stay ahead of emerging threats. Active monitoring of security logs allows us to detect and mitigate malicious activities promptly. Data protection is rigorously enforced throughout its creation, storage, transit, and retrieval phases. Detailed policy information is available on the Company's internal portal for employee access.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   As an EPC company focused on infrastructure development for corporate clients, KPIL does not engage in customer-facing or retail activities; therefore, issues related to advertising, product recalls, and regulatory penalties pertinent to consumer goods and services are not applicable to our operations.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches** - Nil

   b. **Percentage of data breaches involving personally identifiable information of customers** – Not applicable, as there were no data breaches

   c. **Impact, if any, of the data breaches** - Not applicable, as there were no data breaches

## LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   https://kalpataruprojects.com/investors/corporate-governance/policies-guidelines

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   KPIL operates within the EPC sector, focusing on infrastructure development for corporate clients, and thus does not engage in consumer-facing activities that require education on the safe and responsible usage of products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   As an EPC company serving corporate clients, KPIL is not involved in consumer services; therefore, mechanisms to inform consumers about potential disruptions of essential services are not applicable to our operations.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, KPIL adheres to the local legal requirements by providing detailed labeling and informational codes on our manufactured towers. This includes not only mandatory information but also client-specific details such as the client's name and the specific project for which the tower is intended. We proactively engage with our clients to gather feedback at the conclusion of each project. Customer satisfaction is formally recognized through the issuance of "Project Completion Certificates." During the financial year 2023-24, KPIL received numerous commendations and certificates from various clients, reflecting our commitment to excellence and client satisfaction across various locations of operation.

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# Assurance statement on third-party verification of sustainability information

Unique identification number: **4153931657**

TÜV SÜD South Asia Pvt Ltd. (hereinafter TÜV SÜD) has been engaged by Kalpataru Projects International Limited to perform a limited assurance and verification of sustainability information in the SUSTAINABILITY REPORT "BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT", of Kalpataru Projects International Limited (hereinafter "Company") for the period from 1st April 2023 to 31st March 2024. The verification was carried out according to the steps and methods described below.

## Scope of the verification

The third-party verification was conducted to obtain limited assurance about whether the sustainability information is prepared in accordance with the reporting criteria of the Standard on International Standard on Assurance Engagements (ISAE) 3000 (hereinafter "Reporting Criteria").

The following selected disclosures ("parts of the report") are included in the scope of the assurance engagement for reporting year April 1, 2023 – March 31, 2024, along with comparative previous year information.

The following selective disclosures in the Report "BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT", published at Integrated Annual Report FY 2023-24 website link

| S.No. | BRSR indicator reference | Description of indicator |
|---|---|---|
| 1. | Section A – 20-a | Employees and workers (including differently abled). |
| 2. | Section A – 20-b | Differently abled Employees and workers. |
| 3. | Section A – 21 | Participation/Inclusion/Representation of women. |
| 4. | Section A – 22 | Turnover rate for permanent employees and workers. |
| 5. | Section A – 25 | Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct. |
| 6. | Section C – Principle 1 – 1 (Essential Indicator) | Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year. |
| 7. | Section C – Principle 2 – 4 (Essential Indicator) | Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. |
| 8. | Section C – Principle 3 – 1 (Essential Indicator) | Details of measures for the well-being of employees and workers. |
| 9. | Section C – Principle 3 – 2 (Essential Indicator) | Details of retirement benefits, for Current Financial Year. |
| 10. | Section C – Principle 3 – 3 (Essential Indicator) | Accessibility to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. |

| | | |
|---|---|---|
| 11. | Section C – Principle 3 – 5 (Essential Indicator) | Return to work and Retention rates of permanent employees and workers that took parental leave. |
| 12. | Section C – Principle 3 – 8 (Essential Indicator) | Details of training given to employees and workers. |
| 13. | Section C – Principle 3 – 9 (Essential Indicator) | Details of performance and career development reviews of employees and worker. |
| 14. | Section C – Principle 3 – 11 (Essential Indicator) | Details of safety related incidents. |
| 15. | Section C – Principle 3 – 13 (Essential Indicator) | Number of Complaints on working conditions & Health safety made by employees and workers. |
| 16. | Section C – Principle 3 – 14 (Essential Indicator) | Assessments for the year (Health and safety practices, Working Conditions). |
| 17. | Section C – Principle 4 – 2 (Essential Indicator) | List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group. |
| 18. | Section C – Principle 5 – 1 (Essential Indicator) | Employees and workers who have been provided training on human rights issues and policies of the entity. |
| 19. | Section C – Principle 5 – 2 (Essential Indicator) | Details of minimum wages paid to employees and workers. |
| 20. | Section C – Principle 5 – 5 (Essential Indicator) | Internal mechanisms in place to redress grievances related to human rights issues. |
| 21. | Section C – Principle 5 – 6 (Essential Indicator) | Number of Complaints made by employees and workers |
| 22. | Section C – Principle 5 – 10 (Essential Indicator) | Assessments for child labour, Forced/involuntary labour, Sexual harassment, Discrimination at workplace and Wages. |
| 23. | Section C – Principle 6 – 1 (Essential Indicator) | Details of total energy consumption and energy intensity. |
| 24. | Section C – Principle 6 – 3 (Essential Indicator) | Details of total water consumption and water intensity. |
| 25. | Section C – Principle 6 – 6 (Essential Indicator) | Details of air emissions (other than GHG emissions) by the entity. |
| 26. | Section C – Principle 6 – 7 (Essential Indicator) | Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions). |
| 27. | Section C – Principle 6 – 9 (Essential Indicator) | Details of total waste generated. |

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the sustainability reporting, and accordingly, we do not express a conclusion on this information. It was not part of our engagement to review product- or service-related information, references to external information sources, expert opinions and future-related statements in the Report.

**Responsibility of the Company**

The legal representatives of the Company are responsible for the preparation of the sustainability information in accordance with the Reporting Criteria. This responsibility includes in particular the selection and use of appropriate methods for sustainability reporting, the collection

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and compilation of information and the making of appropriate assumptions or, where appropriate, the making of appropriate estimates. Furthermore, the legal representatives are responsible for necessary internal controls to enable the preparation of a sustainability report that is free of material - intentional or unintentional - erroneous information.

**Verification methodology and procedures performed**

The verification engagement has been planned and performed in accordance with the verification methodology developed by the TÜV SÜD Group which is based upon the ISO 17029 and ISAE 3000.

The applied level of assurance was "limited assurance". Because the level of assurance obtained in a limited assurance, the engagement is lower than in a reasonable assurance engagement, the procedures the verification team performs in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

The verification was based on a systematic and evidence-based assurance process limited as stated above. The selection of assurance procedures is subject to the auditor's own judgment.

The procedures included amongst others:

- Inquiries of personnel who are responsible for the stakeholder engagement und materiality analysis to understand the reporting boundaries
- Evaluation of the design and implementation of the systems and processes for compiling, analysing, and aggregating sustainability information as well as for internal controls
- Inquiries of company's representatives responsible for collecting, preparing and consolidating sustainability information and performing internal controls
- Analytical procedures and inspection of sustainability information as reported at group level by all locations.
- Assessment of local data collection and management procedures and control mechanisms through a sample survey at Corporate office in Mumbai, Corporate EHS department Mumbai office, Oil and Gas India office in Mumbai, T & D International office in Mumbai, Urban Infrastructure Division, India office Mumbai, Building and Factories north India office in Noida, Water and Railway Division India office in Noida, Gandhinagar Plant and Corporate HR office in Gandhinagar.

**Conclusion**

On the basis of the assessment procedures carried out from 28.03.2024 to 25.04.2024, Nothing has come to our attention to suggest that the Report does not meet the completeness with respect the Reporting Criteria.

**Limitations**

The assurance process was subject to the following limitations:

- The subject matter information covered by the engagement are described in the "scope of the engagement". Assurance of further information included in the sustainability reporting was not performed. Accordingly, TÜV SÜD do not express a conclusion on this information.
- The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

## Use of this Statement

The Company must reproduce the TÜV SÜD statement and possible attachments in full and without omissions, changes, or additions.

This statement is by the scope of the engagement solely intended to inform the Company as to the results of the mandated assessment. TÜV SÜD has not considered the interest of any other party in the selected sustainability information, this assurance report or the conclusions TÜV SÜD has reached. Therefore, nothing in the engagement or this statement provides third parties with any rights or claims whatsoever.

## Independence and competence of the verifier

TÜV SÜD South Asia Pvt Ltd. is an independent certification and testing organization and member of the international TÜV SÜD Group, with accreditations also in the areas of social responsibility and environmental protection. The assurance team was assembled based on the knowledge, experience and qualification of the auditors. TÜV SÜD South Asia Pvt Ltd hereby declares that there is no conflict of interest with the Company.

Place, Date

3rd May 2024

Gurugram (Haryana)

Prosenjit Mitra
DGM- Audit Services
(Business Line - Verification, Validation & Audit)

Shashank Chaudhary
Manager- Sustainability Services

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# Independent Auditor's Report

**To**
**The Members of Kalpataru Projects International Limited**
**(Formerly known as Kalpataru Power Transmission Limited)**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the standalone financial statements of Kalpataru Projects International Limited (Formerly known as Kalpataru Power Transmission Limited) (the "Company"), joint operations which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on financial statements of such joint operation as was audited by the other auditor the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Estimation of contract cost and revenue recognition

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Company's revenue is primarily from long terms Engineering Procurement and Construction (EPC) contracts projects which are complex in nature, span over a number of reporting periods.<br><br>The Company has construction contracts whose revenue recognition is dependent on a high level of judgement over the percentage of completion. It is based on their best estimate of the costs to complete, valuation of contractual variations, claims and ability to deliver the contract within the contractual time limit.<br><br>The Company uses an input method based on costs incurred to measure progress of the performance obligation identified in the projects. Under this approach, the Company recognizes revenue based on the costs incurred to date relative to the estimated total costs to complete the performance obligation. Profit is not recognised until the outcome of the contract is certain. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br><br>• Obtained an understanding of the Company's revenue recognition processes and evaluated the appropriateness of the Company's accounting policy for revenue recognition in accordance with Ind AS 115 – Revenue from contracts with customers.<br><br>• Evaluated the design and implementation of key internal controls over the contract revenue, contract cost and cost estimation process through the combination of procedures involving inquiry, observations, and inspection of evidence.<br><br>• For sample contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion. |

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| Revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about cost overruns and changes in scope/ term of a construction contract.<br><br>We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete involves significant management judgement which has a consequential impact on revenue recognition and profit. | For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures.<br><br>• To test the forecasted cost to complete, for sample contracts, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed underlying documents, evaluating reasonableness of management's judgements / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the completed projects. Verified the provisioning requirement for loss making contracts/onerous obligations, if any.<br><br>• Considered the adequacy of the disclosures in note 23 in the standalone financial statements. |

**Recoverability of carrying value of loans and Investments**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| As at 31st March, 2024, the Company held investment with a carrying amount of 1,947.77 crores (including 1,088.49 crores loan) in subsidiaries of the Company. This investment is carried at cost less impairment in the Company's Standalone Financial Statements.<br><br>The Company's management has tested this investment for impairment in accordance with Ind AS 36 by comparing its recoverable amount with its carrying amount as at 31st March, 2024 as applicable.<br><br>The management's assessment of impairment depends on the value in use and fair value less cost of disposal which is derived by business plans, anticipating the future market conditions and cash flows, key assumptions such as estimated long term growth rates, weighted average cost of capital and estimated operating margins. In addition, there is significant scope for judgement in determining the assumptions underlying the forecasted results.<br><br>Given the relative significance of investments and loans to the standalone financial statements and the nature and extent of audit procedures involved in assessing the carrying value, we determined this to be a key audit matter. | • In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence.<br><br>• Evaluated the design and implementation and testing operating effectiveness of controls over the management's process of impairment assessment.<br><br>• Evaluated net worth and past performance of the companies to whom loans given or investment made.<br><br>• Challenged the significant assumptions and judgements used in impairment analysis, such as forecast revenue, margin, terminal growth etc.<br><br>• With the assistance of our specialists as required, evaluated the reasonableness of the methodology and discount rate by testing the source information underlying the determination of the discount rate and mathematical accuracy of the calculations;<br><br>• Compared the previous forecast to actual results to assess the Company's ability to forecast accuracy.<br><br>• Performed sensitivity analysis on key assumptions.<br><br>• Evaluated the adequacy of presentation and disclosures made in the Standalone financial statements. |

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## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's reports thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are responsible for overseeing the financial reporting process of each company.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of joint operation of the Company to express an opinion on the standalone financial statements. For the joint operation included in the standalone financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTERS

a. We did not audit the financial statements of one joint operation included in the standalone financial statements of the Company whose financial statements reflects total assets (before consolidation adjustments) of ₹ 83.35 crores as at 31 March 2024, total revenue (before consolidation adjustments) of ₹ 60.65 crores and net cash outflows (before consolidation adjustments) amounting to ₹ 4.81 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements of this joint operation has been audited by the other auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of joint operation, is based solely on the report of such other auditor.

Our opinion is not modified in respect of this matter.

b. The financial statements of one joint operation, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 39.40 crores as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 23.22 crores and net cash inflows (before consolidation adjustments) amounting to ₹ 10.61 crores for the year ended on that date, as considered in the standalone financial statements, has not been audited either by us or by other auditors. This unaudited financial statements has been furnished to us by the Management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint operation, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint operation, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements is not material to the Company.

Our opinion is not modified in respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 33 and 42 to the standalone financial statements.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented to us that, to the best of their knowledge and belief, other than as disclosed in the Note 48(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented to us that, to the best of their knowledge and belief, as disclosed in the Note 48(c) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 62 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- The feature of recording audit trail was not enabled at the database layer to log any direct data changes for the accounting software used for maintaining the books of accounts.

- The audit trail was not enabled for certain changes which were performed by users having privilege access rights related to debug access, for the accounting software used for maintaining the books of accounts.

  Further, for the period where audit trail (edit log) facility was enabled and operated through out the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company and its joint operations is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No.: 042070
ICAI UDIN:24042070BKCQTU4584

Place: Mumbai
Date: 08 May 2024

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# Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Kalpataru Projects International Limited (Formerly known as Kalpataru Power Transmission Limited) for the year ended 31 March 2024

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties ( other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) as disclosed in Note 5(a)(i) to the standalone financial statements are held in the name of the Company.

Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has made investments, provided guarantee, granted unsecured loans to companies and other parties in respect of which the requisite information is provided in clause (a) to (f) as below to the extent applicable. Further, the company has not provided guarantee or given any security to Limited liability partnership, firms and other parties. Further, the company has not granted advances in nature of loans to companies, Limited liability partnership, firms and other parties and accordingly reporting on same is not applicable.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee to any other entity as below:

(INR in Crore)

| Particulars | Guarantees | Loans |
|---|---|---|
| Aggregate amount during the year | | |
| Subsidiaries# | 337.13 | 394.61 |
| Joint Ventures | - | 1.78 |
| Others | - | 45.00 |

#Also include the loan renewed / extended during the year of INR 123 crore also reported under clause iii(e)

(INR in Crore)

| Particulars | Guarantees | Loans |
|---|---|---|
| Balance outstanding as at balance sheet date | | |
| Subsidiaries | 1,407.81 | 1,333.80 |
| Joint Ventures | - | 303.46 |
| Others | - | 7.75 |

#Also include the loan renewed / extended during the year of INR 123 crore also reported under clause iii(e)

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of unsecured loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the following cases where there is no stipulation of schedule of repayment of principal and payment of interest and accordingly we are unable to comment on the regularity of repayment of principal and payment of interest:.

Further, the Company has not given any advance in the nature of loan to any party during the year.

| Name of the entity | Amount (INR in crores) | Remarks |
|---|---|---|
| Bharat Road Network Limited | 7.75 | There is no stipulation of schedule of repayment of principal or payment of interest |
| JMC Mining & Quarries Limited* | 0.75 | There is no stipulation of schedule of repayment of principal or payment of interest |
| Kurukshetra Expressway Private Ltd# | 303.46 | There is no stipulation of schedule of repayment of principal or payment of interest |

*Wholly owned subsidiary

# Already provided for expected credit loss on loan to Joint Venture.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days except in case of loans given to following companies where either the schedule for repayment of principal or payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days.

| Name of the entity | Amount (INR in crores) | Remarks |
|---|---|---|
| Bharat Road Network Limited | 7.75 | There is no stipulation of schedule of repayment of principal or payment of interest |
| JMC Mining & Quarries Limited* | 0.75 | There is no stipulation of schedule of repayment of principal or payment of interest |
| Kurukshetra Expressway Private Ltd# | 303.46 | There is no stipulation of schedule of repayment of principal or payment of interest |

*Wholly owned subsidiary

# Already provided for expected credit loss on loan to Joint Venture.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans falling due during the year were renewed or extended or settled by fresh loans:

| Name of the parties | Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (INR in crores) | Percentage of the aggregate to the total loans granted during the year |
|---|---|---|
| Kalpataru Power Chile SPA | 123.00 | 27.87% |
| Crest Ventures Limited | 45.00 | 10.20% |

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(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

(INR in Crore)

| Particulars | All Parties | Promoters | Related Parties |
|---|---|---|---|
| Aggregate of loans | | | |
| - Repayable on demand (A) | 1.78 | - | 1.78 |
| - Agreement does not specify any terms or period of Repayment (B) | - | - | - |
| Percentage of loans to the total loans | 0.40% | - | 0.40% |

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans and guarantees given by the Company, in our opinion the provisions of Section 185 of the Companies Act, 2013 ("the Act") have been complied with. The Company is engaged in the business of providing infrastructural facilities and accordingly, the provision of section 186 (except subsection (1) of section 186) of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has made investments referred in section 186(1) of the Act and has complied with the provision of section 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (₹ in crores)* | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Goods and Service Tax Act 2017 | Goods and Services Tax | 0.63 | 2020 - 21 | Deputy Commissioner (Appeals) |
| | | 2.44 | 2020 – 21 | Joint Commissioner (Appeals) |
| | | 2.66 | 2017 – 18 | Deputy Commissioner (Appeals) |
| | | 0.90 | 2017 – 18 | Joint Commissioner (Appeals) |
| | | 7.35 | 2017 – 18 | Commissioner (Appeals) |
| | | 0.01 | 2017 – 18 | Assistant Commissioner (Appeal) |
| | | 1.60 | 2017 – 18 | Commissioner of Central Tax (Appeals) |
| | | 3.99 | 2017 – 18 | Additional Commissioner (Appeals) |
| | | 1.34 | 2018 - 19 | Joint Commissioner (Appeals) |
| | | 67.61 | 2018 - 19 and 2020 - 21 | High Court |
| | | 1.85 | 2017 - 18 to 2019 - 20 | Commissioner (Appeals) |

| Name of the statute | Nature of the dues | Amount (₹ in crores)* | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| The Maharashtra VAT Act, 2002 | Sales Tax and Value Added Tax | 15.73 | 2007 - 08 and 2010 - 11 | Deputy Commissioner (Appeals) |
| | | 2.42 | 2011 - 12, 2013 - 14 to 2016 - 17 | Joint Commissioner (Appeals) |
| | | 0.16 | 2005 - 06, 2006 - 07, 2009 -10, 2012 - 13, 2017 - 18 | Tribunal |
| The Odisha VAT Act, 2004 | Sales Tax and Value Added Tax | 3.54 | 2009 - 10 to 2013 – 14 | High Court |
| The West Bengal VAT Tax, 2003 | Sales Tax and Value Added Tax | 2.60 | 2015 - 16 and 2016 - 17 | Commercial Tax Appellate |
| | | 1.13 | 2005 - 06, 2006 - 07, 2009 -10, 2012 - 13, 2017 - 18 | Tribunal |
| The Central Sales Tax Act, 1956 | CST, Interest and Penalty | 3.61 | 2005 - 06, 2006 - 07, 2009 -10, 2012 - 13, 2017 - 18 | Tribunal |
| The Andhra Pradesh Values Added Tax Act, 2005 | Sales Tax and Value Added Tax | 28.34 | 2009 - 10 to 2013 - 14 and 2014 - 15 to 2017 – 18 | High Court |
| Gujarat Sales Tax and Value Added Tax | Sales Tax and Value Added Tax | 0.40 | 2005 - 06, 2006 - 07, 2009 -10, 2012 - 13, 2017 – 18 | Tribunal |
| Rajasthan Entry Tax Act, 1999 | Entry Tax | 0.24 | 2014 – 15 | High Court |
| The Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976 | Entry Tax | 0.16 | 2011 - 12 | Commercial Tax Appellate Board |
| The Odisha Entry Tax Act, 1999 | Entry Tax | 0.17 | 2009 - 10 to 2013 – 14 | Tribunal |
| The Center Excise Duty Act, 1994 | Excise Duty | 4.93 | 2015 - 16 and 2016 – 17 | Tribunal |
| The Customs Act, 1962 | Customs Duty | 0.16 | 2014 – 15 | Tribunal |
| The Customs Act, 1962 | Customs Duty | 0.10 | 2010 - 11 and 2011 – 12 | Tribunal |
| The Finance Act, 1994 | Service Tax | 54.13 | 2009 - 10 | Supreme Court |
| The Finance Act, 1994 | Service Tax | 0.03 | 2015 - 16 and 2016 - 17 | Additional Commissioner of CGST (Appeal) |
| The Finance Act, 1994 | Service Tax | 23.32 | 2003 - 04, 2007 - 08 to 2017 – 18 | Tribunal |
| The Finance Act, 1994 | Service Tax | 7.00 | 2007 - 08 to 2011 - 12 | High Court |
| Income Tax Act, 1961 | Income tax | - | 2008 – 09 to 2014 – 15 | High Court |
| Income Tax Act, 1961 | Income tax | - | 2015 – 16 to 2017 – 18 | CIT (A) |
| Income Tax Act, 1961 | Income tax | 1.52 | 2014-15 and 2016-17 | CIT (A) |
| Income Tax Act, 1961 | Income tax | - | 2020 - 21 | DRP Mumbai |
| Income Tax Act, 1961 | Income tax | - | 2006-07 to 2014-15 | ITAT |
| Income Tax Act, 1961 | Income tax | 6.38 | 2016-17, 2017-18 and 2018-19 | CIT(A) |
| Income Tax Act, 1961 | Income tax | - | 2019 - 20 | CIT (A) |
| Income Tax Act, 1961 | Income tax | 0.31 | 2014 - 15 | DCIT |
| Kuwait Tax Laws | Income Tax | 12.09 | 2015-16 and 2016-17 | Tax Appeal Committee |
| Kuwait Tax Laws | Income Tax | 4.73 | 2017 - 18 | Tax Appeal Committee |
| Algerian Tax Laws | I.B.S., I.R.G., T.A.P. and T.V.A. | 26.14 | 2008 and 2009 | Ministry of Finance, General Directorate of Taxes, Algeria |
| Mauritania Tax Laws | Income Tax | 12.18 | 2019 | Tax Department - Appeal Court |

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| Name of the statute | Nature of the dues | Amount (₹ in crores)* | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Mauritania Tax Laws | Income Tax | 6.99 | 2020 | Tax Department - Appeal Court |
| Ethiopia Tax Laws | Income Tax and VAT | 13.32 | 2014 - 15 to 2018 - 19 | Supreme Court |
| Ukraine Tax Laws | Income Tax | 0.98 | 2022 | Tax Department - Appeal Court |
| Mali Tax Laws | Income Tax | 28.54 | 2020 to 2022 | Mali Tax Authority |

* Net of Amount paid

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint venture (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT - 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Company's annual report is expected to be made available to us after the date of this auditor's report.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No.: 042070
ICAI UDIN:24042070BKCQTU4584

Place: Mumbai
Date: 08 May 2024

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# Annexure B to the Independent Auditor's Report on the standalone financial statements of Kalpataru Projects International Limited (Formerly known as Kalpataru Power Transmission Limited) for the year ended 31 March 2024

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## OPINION

We have audited the internal financial controls with reference to financial statements of Kalpataru Projects International Limited (Formerly known as Kalpataru Power Transmission Limited) ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors

of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No.: 042070
ICAI UDIN:24042070BKCQTU4584

Place: Mumbai
Date: 08 May 2024

202410180064 7

# Standalone Balance Sheet

as at 31st March, 2024

(₹ in Crores)

| Particulars | Note | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a) Property, Plant and Equipments | 5 (a) (i) | 1,557.07 | 1,583.63 |
| (b) Capital Work in Progress | 5(b) & 46 | 32.03 | 48.36 |
| (c) Goodwill | 52.1 | 20.07 | 20.07 |
| (d) Other Intangible Assets | 5 (a) (ii) | 11.38 | 16.75 |
| (e) Right of Use Assets | 36 | 67.33 | 76.36 |
| (f) Financial Assets | | | |
| (i) Investments | 6 | 859.28 | 874.13 |
| (ii) Trade Receivables | 7 (i) | 131.05 | 180.47 |
| (iii) Loans | 8 (i) | 422.04 | 675.89 |
| (iv) Others | 9 (i) | 174.79 | 149.70 |
| (g) Deferred Tax Assets (net) | 10 | 141.09 | 133.80 |
| (h) Other Non-Current Assets | 11 (i) | 137.69 | 125.76 |
| | | **3,553.82** | **3,884.92** |
| **Current Assets** | | | |
| (a) Inventories | 12 | 1,239.66 | 1,087.43 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 7 (ii) | 5,393.32 | 4,943.87 |
| (ii) Cash and Cash Equivalents | 13 | 827.25 | 759.06 |
| (iii) Bank Balances other than (ii) above | 14 | 21.54 | 98.99 |
| (iv) Loans | 8 (ii) | 666.45 | 184.92 |
| (v) Others | 9 (ii) | 470.57 | 407.86 |
| (c) Current Tax Assets (net) | 15 | 127.37 | 167.65 |
| (d) Other Current Assets | 11 (ii) | 7,408.28 | 5,941.78 |
| (e) Assets classified as held for sale | 6.2 | 281.07 | 261.45 |
| | | **16,435.51** | **13,853.01** |
| **TOTAL ASSETS** | | **19,989.33** | **17,737.93** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 16 | 32.49 | 32.49 |
| (b) Other Equity | 17 | 5,717.55 | 5,287.24 |
| | | **5,750.04** | **5,319.73** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18 (i) | 1,144.07 | 924.50 |
| (ia) Lease Liabilities | 36 | 28.56 | 39.89 |
| (ii) Trade Payables | 19 (i) | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 115.60 | 161.40 |
| (b) Provisions | 22 (i) | 47.26 | 71.13 |
| (c) Other Non-Current Liabilities | 21 (i) | 5.29 | 276.01 |
| | | **1,340.78** | **1,472.93** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18 (ii) | 2,119.42 | 2,010.14 |
| (ia) Lease Liabilities | 36 | 38.16 | 37.17 |
| (ii) Trade Payables | 19 (ii) | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 222.45 | 150.91 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 5,013.52 | 4,431.66 |
| (iii) Other Financial Liabilities | 20 (i) | 804.34 | 534.51 |
| (b) Other Current Liabilities | 21 (ii) | 4,243.64 | 3,361.65 |
| (c) Provisions | 22 (ii) | 448.45 | 383.99 |
| (d) Current Tax Liabilities (net) | 15 | 8.53 | 35.34 |
| | | **12,898.51** | **10,945.27** |
| **TOTAL EQUITY AND LIABILITIES** | | **19,989.33** | **17,737.93** |
| Notes forming part of the Standalone Financial Statements | 1 to 62 | | |

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W / W-100022

**Bhavesh Dhupelia**
Partner
Membership No : 042070
Mumbai : May 08, 2024

**Ram Patodia**
Chief Financial Officer
DIN : 01229696

**Shweta Girotra**
Company Secretary

For and on behalf of the Board of Directors

**Manish Mohnot**
Managing Director & CEO

**Shailendra Kumar Tripathi**
Deputy Managing Director
DIN: 03156123
Mumbai : May 08, 2024

# Standalone Statement of Profit and Loss

for the year ended 31st March, 2024

(₹ in Crores)

| Particulars | Note | 2023-24 | 2022-23 |
|---|---|---|---|
| Revenue from Operations | 23 | 16,759.66 | 14,336.82 |
| Other Income | 24 | 113.45 | 111.69 |
| **TOTAL INCOME** | | **16,873.11** | **14,448.51** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 25 | 7,201.00 | 6,487.74 |
| Changes in Inventories of Finished goods and Work in progress | 26 | 17.71 | (13.45) |
| Erection, Sub-Contracting and other Project Expenses | 35 | 5,779.21 | 4,688.22 |
| Employee Benefits Expenses | 27 | 1,194.33 | 1,033.83 |
| Finance Costs | 28 | 337.03 | 293.90 |
| Depreciation and Amortization Expenses | 5 & 36 | 367.88 | 294.75 |
| Expected credit losses provision for loans & advances given to subsidiaries | | - | 7.96 |
| Other Expenses | 29 | 1,202.16 | 970.98 |
| **TOTAL EXPENSES** | | **16,099.32** | **13,763.93** |
| **Profit Before Exceptional Items and Tax** | | **773.79** | **684.58** |
| Exceptional Items -gain/(loss) | 56 | (35.00) | 54.10 |
| **Profit Before Tax** | | **738.79** | **738.68** |
| Tax Expense | | | |
| Current Tax | | 212.14 | 241.99 |
| Deferred Tax | | (6.35) | (35.26) |
| **PROFIT FOR THE YEAR** | | **533.00** | **531.95** |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified subsequently to Profit or Loss | | | |
| Re-measuement of defined benefit plan | | (5.22) | 2.11 |
| Income tax on Actuarial Gain /( Loss ) | | 1.31 | (0.53) |
| **TOTAL** | | **(3.91)** | **1.58** |
| Items that will be reclassified subsequently to Profit or Loss | | | |
| Exchange differences in translating foreign operation | | 8.58 | (7.00) |
| Gain/(Loss) on hedging instruments | | 11.37 | (58.08) |
| Income tax on above items | | (5.02) | 16.38 |
| **TOTAL** | | **14.93** | **(48.70)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **544.02** | **484.83** |
| Earnings per Equity Share (of ₹ 2 each) | | | |
| Basic and Diluted (₹) | 34 | 32.81 | 32.75 |
| Notes forming part of the Standalone Financial Statements | 1 to 62 | | |

For and on behalf of the Board of Directors

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W /W-100022

**Bhavesh Dhupelia**
Partner
Membership No : 042070
Mumbai : May 08, 2024

**Ram Patodia**
Chief Financial Officer

**Shweta Girotra**
Company Secretary

**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

**Shailendra Kumar Tripathi**
Deputy Managing Director
DIN: 03156123
Mumbai : May 08, 2024

# Standalone Statement of Changes in Equity

for the year ended 31st March, 2024

## A EQUITY SHARE CAPITAL

(₹ in Crores)

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balance as at beginning of the year | 32.49 | 29.78 |
| Issue of equity shares during the year | - | 2.71 |
| **Balance at the end of the period** | **32.49** | **32.49** |

## B OTHER EQUITY

(₹ in Crores)

| Particulars | Shares Pending Issuance (Refer Note 52) | Reserves & Surplus | | | | | | Other Comprehensive Income / (Loss) | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Debentures Redemption Reserve | Securities Premium | General Reserve | Capital Redemption Reserve | Capital Reserve | Retained Earnings | Effective portion of Cash Flow Hedges | Exchange differences of foreign operations | Actuarial gain /(Loss) on Defined Plan Liability | |
| **Balance as at April 01, 2022** | **2.71** | **39.49** | **668.12** | **516.68** | **1.16** | **325.45** | **3,341.11** | **34.64** | **(22.30)** | **0.25** | **4,907.32** |
| Profit for the year 2022 - 23 | | - | - | - | - | | 531.95 | - | - | - | 531.95 |
| Dividends Paid | | - | - | - | | | (102.20) | - | - | - | (102.20) |
| Issue of equity shares during the year | (2.71) | - | - | - | - | - | - | - | - | - | (2.71) |
| Other Comprehensive income for the year (net of tax) | | - | - | - | | | - | (43.46) | (5.24) | 1.58 | (47.12) |
| Transfer from Debenture Redemption Reserve to General Reserve | | (35.65) | | 35.65 | | | - | - | - | - | - |
| Transfer to General Reserve from Retained Earnings | | - | - | 10.00 | | | (10.00) | - | - | - | - |
| **Balance as at 31st March, 2023** | **-** | **3.84** | **668.12** | **562.33** | **1.16** | **325.45** | **3,760.86** | **(8.82)** | **(27.54)** | **1.83** | **5,287.24** |
| Profit for the year 2023 - 24 | | - | - | - | - | | 533.00 | - | - | - | 533.00 |
| Dividends Paid | | - | - | - | - | | (113.71) | - | - | - | (113.71) |
| Other Comprehensive income for the year (net of tax) | | - | - | - | | | - | 8.51 | 6.42 | (3.91) | 11.02 |
| Transfer from Debenture Redemption Reserve to General Reserve | | (3.84) | - | 3.84 | | | - | - | - | - | - |
| Transfer to General Reserve From Retained Earnings | | - | - | 10.00 | | | (10.00) | - | - | - | - |
| **Balance as at 31st March, 2024** | **-** | **-** | **668.12** | **576.17** | **1.16** | **325.45** | **4,170.15** | **(0.31)** | **(21.12)** | **(2.08)** | **5,717.55** |

# Standalone Statement of Changes in Equity (Contd..)

for the year ended 31st March, 2024

## B OTHER EQUITY (CONTD..):

(i) Securities premium is used to record the premium on issue of shares. This can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Debenture Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

(iii) The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.

(iv) Capital Redemption Reserve is in accordance with section 69 of the Indian Companies Act, 2013. The Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from free reserve.

(v) Exchange differences of foreign operations arising on translation of the foreign operation are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the net investment is disposed-off.

(vi) The cash flow hedge reserve is used to recognize the effective portion of gains or losses on derivative that are designated and qualify as cash flow hedges.

(vii) Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.

(viii) Retained earnings represents accumulated profit of the Company as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013

(ix) Capital reserve was created on account of merger of JMC Projects (India) Limited with the Company pursuant to the Scheme of Amalgamation.

Also refer Notes forming part of the Standalone Financial Statements

For and on behalf of the Board of Directors

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W / W-100022

**Bhavesh Dhupelia**
Partner
Membership No : 042070
Mumbai : May 08, 2024

**Ram Patodia**
Chief Financial Officer

**Shweta Girotra**
Company Secretary

**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

**Shailendra Kumar Tripathi**
Deputy Managing Director
DIN: 03156123
Mumbai : May 08, 2024

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# Standalone Statement of Cash Flows

for the year ended 31st March, 2024

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Profit for the year | 533.00 | 531.95 |
| **Adjustments for :** | | |
| Tax Expenses | 205.79 | 206.73 |
| Depreciation and Amortization Expenses | 367.88 | 294.75 |
| Finance Costs | 337.03 | 293.90 |
| Dividend Income | - | (51.94) |
| Interest Income | (98.35) | (50.72) |
| (Profit)/Loss on sale of Property, Plant and Equipment (net) | 2.53 | 5.36 |
| Impairment of Investment | 35.00 | 54.90 |
| Expected credit loss for loans and advances given to Subsidiary and JV | 1.78 | 7.96 |
| Provision for Allowance for Expected Credit Losses | 77.06 | (10.45) |
| Unrealised Foreign Exchange(gain)/ Loss (net) | 35.03 | (18.39) |
| Net gain arising on financial assets | (0.19) | (0.06) |
| **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **1,496.56** | **1,263.99** |
| **Adjustments for:** | | |
| Trade and other Receivables | (1,960.34) | (2,236.56) |
| Inventories | (152.23) | (168.13) |
| Trade and other Payables | 1,532.94 | 1,953.51 |
| **CASH GENERATED FROM OPERATIONS** | **916.93** | **812.81** |
| Income Tax Paid | (203.32) | (253.43) |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES** | **713.61** | **559.38** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES:** | | |
| Capital expenditure on Property, Plant and Equipment & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) | (305.96) | (743.15) |
| Proceeds from disposal of Property, Plant and Equipment | 17.03 | 35.31 |
| Proceeds from sale of subsidiary/Joint Venture (Net) | - | 273.72 |
| Proceeds from sale of Investment | 1.65 | - |
| Investment in Subsidiaries and Joint Ventures | (20.81) | (26.87) |
| Loans given to Subsidiaries, Joint Ventures and others | (296.08) | (302.28) |
| Repayment of loans by Subsidiaries, Joint Ventures and others | 100.15 | 228.68 |
| Interest Received | 40.03 | 52.41 |
| Dividend Received | - | 51.94 |
| Deposits with Banks (Net) | (2.52) | (16.46) |
| **NET CASH USED IN INVESTING ACTIVITIES** | **(466.51)** | **(446.70)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Proceeds from Current/Non Current Borrowings | 82.90 | 204.84 |
| Proceeds from Issue of Non-Convertible Reedemable Debentures | 600.00 | 274.00 |
| Redemption of Non Convertible Debentures | (225.00) | (278.34) |
| Repayment of Current/Non Current Borrowings | (232.78) | (428.72) |
| Net increase / (decrease) in short-term borrowings | 69.89 | 469.90 |
| Payment of Lease Liabilities | (41.01) | (50.59) |
| Finance Costs Paid | (316.31) | (311.97) |
| Dividends Paid | (113.71) | (102.20) |
| **NET CASH USED IN FINANCING ACTIVITIES** | **(176.02)** | **(223.08)** |
| Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies | (2.89) | 3.38 |
| **D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS** | 68.19 | (107.01) |
| **E. OPENING CASH AND CASH EQUIVALENTS** | 759.06 | 866.07 |
| **F. CLOSING CASH AND CASH EQUIVALENTS** | **827.25** | **759.06** |

# Standalone Statement of Cash Flows (Contd..)

for the year ended 31st March, 2024

**NOTES :**

(i) Cash and Cash Equivalents at the end of the year comprises:

(₹ in Crores)

| | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| (a) Cash on hand | 2.78 | 3.59 |
| (b) Balances with Banks | | |
| (i) In current accounts | 824.47 | 753.75 |
| (ii) In Fixed Deposit Accounts | - | 1.72 |
| **CASH AND CASH EQUIVALENTS AS PER STATEMENT OF CASH FLOWS** | **827.25** | **759.06** |

(ii) Reconciliation of liabilities arising from financing activities:

| Particulars | As at 01st April, 2023 | Cash Flow | Non-Cash Changes | As at 31st March, 2024 |
|---|---|---|---|---|
| Borrowings | 2,934.64 | 295.01 | 33.84 | 3,263.49 |
| Lease Liabilities | 77.06 | (41.01) | 30.67 | 66.72 |

(iii) Cash Outflow for CSR activity is ₹ 9.64 Crores (Previous year ₹ 9.67 Crores).

(iv) The Statement of Cash Flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Statement of Cash Flows.

Also refer Notes forming part of the Standalone Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W / W-100022

**Bhavesh Dhupelia**
Partner
Membership No : 042070
Mumbai : May 08, 2024

**Ram Patodia**
Chief Financial Officer

**Shweta Girotra**
Company Secretary

For and on behalf of the Board of Directors

**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

**Shailendra Kumar Tripathi**
Deputy Managing Director
DIN: 03156123
Mumbai : May 08, 2024

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 1. CORPORATE INFORMATION

Kalpataru Projects International Limited (Formerly known as Kalpataru Power Transmission Limited") (here in after referred to as the "Company") is a global EPC player with diversified interest in Buildings and Factories, Power transmission and distribution, Roads and Bridges, Water pipe lines, railway track laying and electrification, oil and gas pipelines laying, etc.

The Company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector - 28, Gandhinagar 382028, Gujarat, India.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These Standalone Ind AS financial statements are presented in Indian Rupees (INR), which is the Company's presentation currency. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

These Standalone financial statements were approved by the Company's Board of Directors and authorised for issue on May 08, 2024.

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## 3. USE OF ESTIMATES

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis.

The estimates and underlying assumptions made by management are explained under respective policies. Revisions to accounting estimates include impairment of investment in subsidiary, useful lives of Property, Plant and Equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value/recoverable amount measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

## 4. MATERIAL ACCOUNTING POLICIES

### A. Revenue Recognition

#### (i) Revenue from construction contracts

Performance obligations with reference to Engineering Procurement and Construction (EPC) contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party.

Revenue, measured at transaction price, is adjusted towards liquidated damages, time value of money and price variations, escalation, change in scope

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

etc. wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably, and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the statement of profit and loss period in which estimates are revised.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating various factors. Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is subject to many variables and requires significant judgement. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the balance sheet.

**(ii) Revenue from other contracts**

Revenue from sale of products is recognized upon satisfaction of performance obligations based on an assessment of the transfer of control as per the terms of the contract.

**(iii) Others**

Dividends are recognized when right to receive payment is established.

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.

Export benefits are accounted as revenue on accrual basis as and when export of goods take place and where there is a reasonable assurance that the benefit will be received, and the Company will comply with all the attached conditions

## B. Onerous contract

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The expected loss is recognised as an expense immediately at present value.

## C. Operating cycle

Operating cycle for the business activities of the company related to long term contracts i.e. supply or construction contracts covers the duration of the specific project/ contract including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective project/contract.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

Assets and liabilities other than those relating to long-term contracts are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

## D. Lease

The Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

**Measurement and recognition of leases as a lessee**

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

## E. Foreign Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). For each foreign operation outside India, the Company determines the functional currency and items included in the financial statements of each foreign operation are measured using that functional currency of that respective foreign operation. The functional and presentation currency of the Company is Indian Rupees (INR). The financial statements are presented in Indian rupees (INR).

***Accounting for transactions and balances in foreign currencies***

Foreign currency transactions are recorded in the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency at the year end exchange rate are generally recognised in profit or loss except for transactions entered into in order to hedge.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

***Translation of foreign operations whose functional currency is other than presentation currency***

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities, both monetary and non-monetary are translated at the rates prevailing at the end of each reporting period
- Income and expense items are translated at the exchange rates at the dates of the transactions
- resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

On the disposal of a foreign operation all of the exchange differences accumulated in other comprehensive income relating to that particular foreign operation attributable to the owners of the Company is reclassified in the statement of profit and loss.

## F. Income taxes

Income tax expense comprises Current tax and deferred tax. Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

***Current income taxes***

The Company's current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in the countries where the Company, its branches and jointly controlled operations operate and generate taxable income.

***Deferred income taxes***

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when the Company has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## G. Inventories

Raw materials, fuel, semi-finished goods, finished goods, scraps, construction work in progress, construction materials and other stores and spares, tools are stated at lower of cost and net realizable value. Cost of purchased material is determined on the weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Scrap is valued at net realisable value.

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

## H. Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks / financial institutions, with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

## I. Employee Benefits

### a) Defined benefit plan

The defined benefit plan of Company i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation as per the Payment of Gratuity Act, 1972. Gratuity liability is covered by payment thereof to gratuity fund under Group Gratuity Cash Accumulation Scheme of IRDA approved insurer under an irrevocable trust. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary using projected unit credit method, taking effect of Remeasurement gain and losses in Other Comprehensive Income.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss.

### b) Defined contribution plan

Payments to defined contribution plan in the form provident fund are recognised as expense when employees have rendered services entitling them to the contributions.

202410180065 2

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

**c) Compensated absence**

The Company has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are actuarially determined by an independent actuary using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

**d) Short-term employee benefits**

Short term employee benefits such as Salaries, wages, short term compensated absences, bonus, ex gratia and performance linked rewards including non-monetary benefits that are expected to be settled wholly within 12 months after the end of period in which the employees rendered the related services are recognised in respect of employee services upto the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**J. Non-current assets held for sale**

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The determination of fair value net of cost to sell includes use of management estimates and assumptions.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Once classified as held for sale, intangible assets, Property, Plant and Equipment and investment properties are no longer amortised or depreciated, and equity- accounted investee is no longer equity accounted.

**K. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale and added to cost.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as expense in the Statement of Profit and Loss in the period in which they are incurred.

**L. Provisions, Contingent Liabilities and Contingent Asset**

**Provisions** are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a **contingent liability** is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

A **contingent asset** is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are not recognised but are disclosed in financial statements when economic inflow is probable.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## M. Interests in Joint Operations

A joint operation is a Jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When an entity undertakes its activities under joint operations, the Company as a joint operator recognises for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets.

When a Company transacts with a jointly controlled operation in which a Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the jointly controlled operation, and gains and losses resulting from the transactions are recognised in the Company's financial statements only to the extent of other parties' interests in the jointly controlled operation.

## N. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets except trade receivable and financial liabilities are initially measured at fair value.

Trade receivables are initially measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at Fair value through Profit or loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### Classification and Measurement of Financial Assets

**a) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit and Loss.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the assets. The Company continues to recognises the assets to the extent of Company's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

### Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**Derivative Contracts**

The Company enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial instrument ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's risk management objective and strategy.

Such derivatives financial instruments are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss.

**Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

## O. Property, Plant and Equipment & Intangible assets

Property, Plant and Equipment (except Freehold Land) are stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation / amortization and impairment loss if any. Cost of acquisition / construction includes all direct cost net of recoverable taxes and expenditures incurred to bring the asset to its working condition and location for its intended use. All costs, including finance costs and adjustment arising from exchange rate variations attributable to Property, Plant and Equipment till assets are ready to use, are capitalized.

## P. Depreciation and Amortisation

Depreciation is provided on all depreciable Property, Plant and Equipment over the useful life prescribed under schedule II to the Companies Act, 2013 except that:

a) Depreciation on plant and machinery of bio-mass energy plants is provided considering the useful life of plant as 20 years, as specified in Central Electricity Regulatory Commission and Rajasthan Electricity Regulatory Commission Regulations.

b) Depreciation on assets of overseas projects is provided at the rates and methods as per the best estimates of the management which is also in accordance with requirement of laws of respective foreign countries as detailed below:

| | | |
|---|---|---|
| Plant & Machineries | : | 10% - 25% |
| Furniture & Fixtures, Office Equipment | : | 10 % - 33% |
| Computers | : | 10% - 50% |
| Vehicles | : | 15% - 38% |
| Buildings | : | 2% - 7% |

c) Depreciation on Furniture & Fixtures and certain plant and machinery at construction sites is provided considering the useful life of 3 years and 5 years respectively based on past experience.

Depreciation is provided on Straight Line Method (SLM) except on assets pertaining to Research and Development Centre and one Unit (erstwhile Export Oriented Unit) which are provided on the basis of written down value method.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

Intangible assets are amortized over a period of five years on straight line basis.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

## Q. Impairment

### *a) Financial asset*

The Company recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for all the financial assets except for trade receivables. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an gain or loss in the Statement of Profit and Loss.

### *b) Non-Financial asset*

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets / cash generating units is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

For the purpose of assessing impairment, assets are grouped at the lowest level, for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or group of assets (cash-generating unit).

Intangible assets with indefinite life are tested for impairment at every period end. Impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

## R. Business combination under common control

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonize the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

## S. Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost / deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Investment in subsidiaries, associates and joint ventures are carried at cost and are tested for Impairment in accordance with Ind AS 36, 'Impairment of assets'.

## T. Earnings Per share

Basic earnings per share are computed by dividing profit or loss for the period of the Company by dividing weighted

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

average number of equity shares outstanding during the period. The Company did not have dilutive potential equity shares in any period presented.

## U. Investment in subsidiary

Investment in equity shares of subsidiaries are measured at cost. Investments in equity instruments are measured at fair value through other Statement of Profit and Loss. The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows.

Determining whether the investments in subsidiaries are impaired requires an estimate in the value in use of investments. The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is an indication for impairment. The carrying amount of investment is tested for impairment as a single asset by comparing it's value in use with its carrying amount, any impairment loss recognised reduces the carrying amount of investment. In considering the value in use, the Company has anticipated the future market conditions and other parameters that affect the operations of these entities including operating results, business plans, future cash flows and economic conditions and key assumptions such as estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections consider past experience and represent management's best estimate about future developments.

## V. Exceptional item

Exceptional Items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

**W.** Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 5. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

### (a) Property, Plant, Equipment and Intangible Assets

**Financial Year 2023-24**

(₹ in Crores)

| Particulars | Gross Block | | | | | Depreciation/Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2023 | Additions | Deductions | Foreign Currency Translation Reserve | As at 31st March, 2024 | As at 1st April 2023 | For the Year | Deductions | Foreign Currency Translation Reserve | As at 31st March, 2024 | As at 31st March, 2024 |
| **(i) PROPERTY, PLANT AND EQUIPMENT** | | | | | | | | | | | |
| Leasehold Land | 35.35 | - | - | - | 35.35 | - | - | - | - | - | 35.35 |
| Freehold Land | 46.88 | - | - | - | 46.88 | - | - | - | - | - | 46.88 |
| Buildings | 509.99 | 43.49 | 21.13 | (4.04) | 528.31 | 195.50 | 96.98 | 20.09 | (1.33) | 271.06 | 257.25 |
| Plant and Equipment | 1,661.46 | 244.73 | 78.08 | (7.88) | 1,820.23 | 628.80 | 175.35 | 32.20 | (4.81) | 767.14 | 1,053.09 |
| Electrical Installation | 16.39 | 0.79 | 0.06 | (0.02) | 17.10 | 8.61 | 1.27 | 0.03 | (0.02) | 9.83 | 7.27 |
| Furniture and Fixtures | 24.68 | 0.39 | 0.03 | - | 25.04 | 15.87 | 1.45 | 0.02 | (0.01) | 17.28 | 7.76 |
| Office Equipments | 76.51 | 14.69 | 4.82 | (0.16) | 86.22 | 52.55 | 11.39 | 4.61 | (0.15) | 59.19 | 27.03 |
| Vehicles | 193.52 | 44.82 | 8.85 | (9.15) | 220.34 | 85.88 | 30.47 | 7.77 | (5.51) | 103.07 | 117.27 |
| **Research & Development Assets** | | | | | | | | | | - | |
| Leasehold Land | 0.46 | - | - | - | 0.46 | - | - | - | - | - | 0.46 |
| Buildings | 0.66 | - | - | - | 0.66 | 0.25 | 0.03 | - | - | 0.28 | 0.38 |
| Plant and Equipment | 11.71 | - | - | - | 11.71 | 7.03 | 0.80 | - | - | 7.83 | 3.88 |
| Electrical Installation | 0.15 | - | - | - | 0.15 | 0.11 | 0.01 | - | - | 0.12 | 0.03 |
| Furniture and Fixtures | 0.29 | 0.03 | - | - | 0.32 | 0.24 | 0.02 | - | - | 0.26 | 0.06 |
| Office Equipments | 0.76 | 0.09 | - | - | 0.85 | 0.67 | 0.07 | - | - | 0.74 | 0.11 |
| Vehicle | 0.42 | - | - | - | 0.42 | 0.09 | 0.08 | - | - | 0.17 | 0.25 |
| **TOTAL (i)** | **2,579.23** | **349.03** | **112.97** | **(21.25)** | **2,794.04** | **995.60** | **317.92** | **64.72** | **(11.83)** | **1,236.97** | **1,557.07** |
| **(ii) OTHER INTANGIBLE ASSETS** | | | | | | | | | | | |
| Software | | | | | | | | | | | |
| (Other than internally generated) | | | | | | | | | | | |
| R&D Assets | 0.04 | - | - | - | 0.04 | 0.04 | - | - | - | 0.04 | - |
| Others | 39.46 | 0.51 | - | - | 39.97 | 22.71 | 5.88 | - | - | 28.59 | 11.38 |
| **TOTAL (ii)** | **39.50** | **0.51** | **-** | **-** | **40.01** | **22.75** | **5.88** | **-** | **-** | **28.63** | **11.38** |
| **TOTAL (i + ii)** | **2,618.73** | **349.54** | **112.97** | **(21.25)** | **2,834.05** | **1,018.35** | **323.81** | **64.72** | **(11.83)** | **1,265.60** | **1,568.45** |

202410180065S

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 5. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS (CONTD..):

**Financial Year 2022-23**

(₹ in Crores)

| Particulars | Gross Block | | | | | Depreciation/Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2022 | Additions | Deductions | Foreign Currency Translation Reserve | As at 31st March, 2023 | As at 1st April 2022 | For the Year | Deductions | Foreign Currency Translation Reserve | As at 31st March, 2023 | As at 31st March, 2023 |
| **(i) PROPERTY, PLANT AND EQUIPMENT** | | | | | | | | | | | |
| Leasehold Land | 35.35 | - | - | - | 35.35 | - | - | - | - | - | 35.35 |
| Freehold Land | 46.88 | - | - | - | 46.88 | - | - | - | - | - | 46.88 |
| Buildings | 383.79 | 141.03 | 15.29 | 0.46 | 509.99 | 143.39 | 60.36 | 7.86 | (0.39) | 195.50 | 314.49 |
| Plant and Equipment | 1,428.68 | 421.44 | 202.91 | 14.25 | 1,661.46 | 647.88 | 146.12 | 174.38 | 9.18 | 628.80 | 1,032.66 |
| Electrical Installation | 15.43 | 1.30 | 0.28 | (0.06) | 16.39 | 7.46 | 1.39 | 0.24 | - | 8.61 | 7.78 |
| Furniture and Fixtures | 24.97 | 1.09 | 1.37 | (0.01) | 24.68 | 15.43 | 1.59 | 1.16 | 0.01 | 15.87 | 8.81 |
| Office Equipments | 75.35 | 14.92 | 13.94 | 0.18 | 76.51 | 54.65 | 10.73 | 12.93 | 0.10 | 52.55 | 23.96 |
| Vehicles | 117.62 | 76.32 | 8.06 | 7.64 | 193.52 | 69.18 | 18.54 | 6.75 | 4.91 | 85.88 | 107.64 |
| **Research & Development Assets** | | | | | | | | | | | |
| Leasehold Land | 0.46 | - | - | - | 0.46 | - | - | - | - | - | 0.46 |
| Buildings | 0.66 | - | - | - | 0.66 | 0.22 | 0.03 | - | - | 0.25 | 0.41 |
| Plant and Equipment | 11.71 | - | - | - | 11.71 | 6.05 | 0.98 | - | - | 7.03 | 4.68 |
| Electrical Installation | 0.15 | - | - | - | 0.15 | 0.10 | 0.01 | - | - | 0.11 | 0.04 |
| Furniture and Fixtures | 0.29 | - | - | - | 0.29 | 0.22 | 0.02 | - | - | 0.24 | 0.05 |
| Office Equipments | 0.70 | 0.06 | - | - | 0.76 | 0.64 | 0.03 | - | - | 0.67 | 0.09 |
| Vehicle | 0.42 | 0.14 | 0.14 | - | 0.42 | 0.09 | 0.07 | 0.07 | - | 0.09 | 0.33 |
| **TOTAL (i)** | **2,142.46** | **656.30** | **241.99** | **22.46** | **2,579.23** | **945.31** | **239.87** | **203.39** | **13.81** | **995.60** | **1,583.63** |
| **(ii) OTHER INTANGIBLE ASSETS** | | | | | | | | | | | |
| Software (Other than internally generated) | | | | | | | | | | | |
| R&D Assets | 0.04 | - | - | - | 0.04 | 0.04 | - | - | - | 0.04 | - |
| Others | 52.11 | 3.58 | 16.23 | - | 39.46 | 30.85 | 7.15 | 15.29 | - | 22.71 | 16.75 |
| | **52.15** | **3.58** | **16.23** | **-** | **39.50** | **30.89** | **7.15** | **15.29** | **-** | **22.75** | **16.75** |
| ***TOTAL (i + ii)*** | **2,194.61** | **659.88** | **258.22** | **22.46** | **2,618.73** | **976.20** | **247.02** | **218.68** | **13.81** | **1,018.35** | **1,600.38** |

## (b) Capital Work in Progress

(₹ in Crores)

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|---|---|
| Balance at the beginning of the year | 48.36 | 19.66 |
| Additions | 69.67 | 131.01 |
| Capitalised during the year | 86.00 | 102.31 |
| **Balance at the end of the year** | **32.03** | **48.36** |

**(c) Leasehold land of which significant risk and reward is transferred to Company is treated as freehold land.**

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 6. INVESTMENTS - NON CURRENT

(₹ in Crores)

| Particulars | Face Value | | No. of Shares / Units | | Amount | |
|---|---|---|---|---|---|---|
| | Currency | Per Share/ Unit | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| **A. Investments - carried at cost** | | | | | | |
| **(a) In Fully Paid Equity Instruments of Subsidiaries** | | | | | | |
| Unquoted, | | | | | | |
| Shree Shubham Logistics Limited [Refer note 6.1(a)] | INR | 10 | 10,40,60,036 | 10,40,60,036 | 287.69 | 287.69 |
| Energylink (India) Limited | INR | 10 | 15,39,59,607 | 15,39,59,607 | 153.96 | 153.96 |
| Amber Real Estate Limited | INR | 10 | 9,90,000 | 9,90,000 | 0.99 | 0.99 |
| Adeshwar Infrabuild Limited | INR | 10 | 50,000 | 50,000 | 0.05 | 0.05 |
| Kalpataru Metfab Private Limited | INR | 10 | 3,00,10,000 | 3,00,10,000 | 26.05 | 26.05 |
| Kalpataru Power Transmission (Mauritius) Limited | USD | 1 | 5,75,000 | 5,75,000 | 2.90 | 2.90 |
| Kalpataru Power Transmission USA, Inc. | USD | 1 | 5,00,000 | 5,00,000 | 2.28 | 2.28 |
| Kalpataru Power Senegal SARL | XOF | 10000 | 1,35,331 | 1,35,331 | 18.43 | 18.43 |
| Kalpataru Power Chile SpA | CLP | 80388 | 1,000 | 1,000 | 0.74 | 0.74 |
| LLC Kalpataru Power Transmission Ukraine | UAH | 1 | 3,99,650 | 3,99,650 | 0.27 | 0.27 |
| Kalpataru Power Transmission Sweden AB | SEK | 50 | 14,06,635 | 14,06,635 | 52.49 | 52.49 |
| Kalpataru IBN Omairah Company Limited | SAR | 1000 | 325 | 325 | 0.55 | 0.55 |
| Kalpataru Power Do Brasil Participaçõe Ltda | BRL | 1 | 7,44,97,846 | 6,82,15,795 | 116.27 | 95.43 |
| JMC Mining and Quarries Limited | INR | 10 | 30,00,000 | 30,00,000 | 3.00 | 3.00 |
| Brij Bhoomi Expressway Private Limited | INR | 10 | 2,27,57,050 | 2,27,57,050 | 31.67 | 31.67 |
| Wainganga Expressway Private Limited | INR | 10 | 3,00,00,000 | 3,00,00,000 | 62.99 | 62.99 |
| Vindhyachal Expressway Private Limited [Refer Note 6.2 (iii)] | INR | 10 | 2,70,50,050 | 2,70,50,050 | - | - |
| Less: Impairment in the value of Investments in Kalpataru Metfab Private Limited, Energylink (India) Limited, Wainganga Expressway Private Limited, Kalpataru Power Transmission (Mauritius) Limited and Shree Shubham Logistics Limited | | | | | (161.27) | (126.27) |
| **Total of Unquoted Investments in Subsidiaries** | | | | | **599.06** | **613.22** |
| **Total of Investments in Equity of Subsidiaries** | | | | | **599.06** | **613.22** |

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 6. INVESTMENTS - NON CURRENT (CONTD..) :

(₹ in Crores)

| Particulars | Face Value | | No. of Shares / Units | | Amount | |
|---|---|---|---|---|---|---|
| | Currency | Per Share/ Unit | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| **(b) In Fully Paid Equity Instruments of Joint Venture** | | | | | | |
| Unquoted, | | | | | | |
| Kurukshetra Expressway Private Limited | INR | 10 | 5,16,82,990 | 5,16,82,990 | 98.27 | 98.27 |
| Less: Provision of Impairement in value of investment | | | | | (98.27) | (98.27) |
| **Total of Investments in Equity of Joint Venture** | | | | | - | - |
| **Total of Investments in Equity instruments carried at cost** | | | | | **599.06** | **613.22** |
| **B. Investment - Carried at amortised cost** | | | | | | |
| Unquoted, | | | | | | |
| Investments in Non-Convertible Preference Shares of a Subsidiary | | | | | | |
| Shree Shubham Logistics Limited | INR | 10 | 1,58,80,000 | 1,58,80,000 | 20.07 | 18.97 |
| **Total of Investments Carried at amortised cost** | | | | | **20.07** | **18.97** |
| **C. Investment - Carried at fair value through profit or loss (FVTPL)** | | | | | | |
| Quoted, | | | | | | |
| Equity instruments, Fully Paid | | | | | | |
| Power Grid Corporation of India Limited | INR | 10 | - | 64,488 | - | 1.46 |
| Unquoted, | | | | | | |
| Equity instruments, Fully Paid | | | | | | |
| Alipurduar Transmission Limited [Refer Note 6.2 (i)] | INR | 10 | 1,44,64,066 | 1,44,64,066 | - | - |
| Kohima-Mariani Transmission Limited [Refer Note 6.2 (ii)] | INR | 10 | 1,90,63,044 | 1,90,63,044 | - | - |
| **Total of Investments Carried at fair value through profit or loss (FVTPL)** | | | | | - | **1.46** |
| **D. Interest Free Loans to Subsidiaries in the nature of Equity Support carried at cost** | | | | | 245.56 | 245.64 |
| Less: Impairment in the value of Investments in Kalpataru Power Transmission (Mauritius) Limited and Adeshwar Infrabuild Limited | | | | | (5.41) | (5.16) |
| **Grand Total** | | | | | **859.28** | **874.13** |
| Aggregate carrying amount of Quoted Investments | | | | | - | 1.46 |
| Market Value of Quoted Investments | | | | | - | 1.46 |
| Aggregate amount of Unquoted Investments | | | | | 859.28 | 872.67 |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 6. INVESTMENTS - NON CURRENT (CONTD..):

**6.1** (a) Investment in equity instrument of Shree Shubham Logistics Limited includes ₹ 6.26 Crores arising on initial recognition of investment in 4% redeemable preference shares at fair value and ₹ 4.21 Crores arising on initial recognition of financial guarantee, given by the Company on behalf of Shree Shubham Logistics Limited, at fair value.

(b) 1,44,64,066 (Previous Year - 1,44,64,066) Equity shares of Alipurduar Transmission Limited (ATL) and 1,90,63,044 (Previous Year - 1,75,96,055) shares of Kohima-Mariani Transmission Limited are pledged.

### 6.2 *Assets classified as held for sale*

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| In Equity Instruments[Note (i), (ii) and (iii)] | 281.07 | 261.45 |
| **Total of Asset classified as held for sale** | **281.07** | **261.45** |

**Notes**

(i) During the FY 2020-21, the Company has completed the transfer of 49% stake along with the transfer of control of Alipurduar Transmission Limited (ATL) to the Buyer with effect from 26rd November, 2020 and accordingly it ceased to be a subsidiary in accordance with the Indian Accounting Standards (Ind AS). Subsequently, during previous year, the Company has completed transfer of additional 25% of total equity shares on 13th October, 2022. Remaining 26% stake will be transferred after obtaining requisite approval. Investment in Equity Instruments amounting to ₹ 99.01 Crores (Previous year ₹ 90.84 Crores) represents fair value of retained equity stake in ATL.

(ii) The Company was holding 74% equity stake in Kohima Mariani Transmission Limited (KMTL), a joint venture between the Company and Techno Electric & Engineering Company Limited (TEECL). The Company and TEECL have entered into a Share Purchase and Shareholders Agreement dated 3rd July, 2019 ("the Agreement") with Buyer to sell their respective equity stake in KMTL. Pursuant to the Agreement, the Company has sold 23% stake and transferred the control of KMTL to the Buyer on 20th December, 2021 and ceased to be Joint Venture of the company w.e.f 20th December, 2021 in accordance with IndAS 28 "Investments in Associates and Joint Ventures". Subsequently, during previous year, the Company has completed transfer of additional 25% of total equity shares on 24th February, 2023. Remaining 26% stake will be transferred after obtaining requisite approval. Investment in Equity Instruments amounting to ₹ 154.56 Crores (Previous year ₹ 143.11 Crores) represents fair value of retained equity stake in KMTL.

(iii) The Company initiated identification and evaluation of potential buyers for its subsidiary Vindhyachal Expressway Private Limited ("VEPL"). Accordingly Investment amounting to ₹ 27.50 Crores related to VEPL has been classified under held for sale as management is committed for sale of the asset which is highly probable.

## 7. TRADE RECEIVABLES* (UNSECURED, CONSIDERED GOOD)

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | 231.50 | 215.55 |
| Less : Allowance for expected credit loss | (100.45) | (35.08) |
| **TOTAL** | **131.05** | **180.47** |
| **(ii) Current** | 5,469.73 | 5,044.90 |
| Less : Allowance for expected credit loss | (76.41) | (101.03) |
| **TOTAL** | **5,393.32** | **4,943.87** |

*Refer Note 42 for Trade receivables ageing

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 8. LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Loans to related parties | | |
| to Subsidiaries | 422.04 | 675.89 |
| **TOTAL** | **422.04** | **675.89** |
| **(ii) Current** | | |
| Loans to related parties | | |
| to Subsidiaries | 666.45 | 184.92 |
| to Joint Venture Companies | 303.46 | 301.68 |
| Loans to Others | 7.75 | 7.75 |
| Less : Expected credit losses for loans to JV and others | (311.21) | (309.43) |
| **TOTAL** | **666.45** | **184.92** |

## 9. OTHER FINANCIAL ASSETS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Interest on Fixed Deposit | 2.86 | 1.83 |
| Security Deposits | 138.07 | 102.72 |
| Fixed Deposit with Banks* | 33.86 | 45.15 |
| **TOTAL** | **174.79** | **149.70** |
| **(ii) Current** | | |
| Accrued Income | 44.14 | 18.37 |
| Fixed Deposit with Banks ** | 209.29 | 117.84 |
| Security Deposits | 63.23 | 89.74 |
| Others^ | 153.91 | 181.91 |
| **TOTAL** | **470.57** | **407.86** |

*Includes ₹ 33.86 Crores (Previous Year ₹ 42.26 Crores) held as margin money and towards other commitments

**Includes ₹ 204.30 Crores (Previous Year ₹ 90.56 Crores) held as margin money and towards other commitments.

^Others mainly include other receivables/ claims

## 10. DEFERRED TAX ASSET/LIABILITIES (NET)

(₹ in Crores)

| Particulars | As at 1st April, 2023 | Recognised in profit or loss | Recognised in other comprehensive income | As at 31st March, 2024 |
|---|---|---|---|---|
| **2023-24** | | | | |
| **Deferred tax assets / (liabilities) in relation to:** | | | | |
| Property, Plant and Equipment and on intangible assets | (16.27) | 6.90 | - | (9.37) |
| Expenses deductible / income taxable in other tax accounting period and change in fair value | (4.29) | (28.62) | (0.51) | (33.42) |
| Provision for Expected Credit Loss and others | 154.36 | 28.07 | 1.45 | 183.88 |
| **TOTAL** | **133.80** | **6.35** | **0.94** | **141.09** |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 10. DEFERRED TAX ASSET/LIABILITIES (NET) (CONTD..):

(₹ in Crores)

| Particulars | As at 1st April, 2022 | Recognised in profit or loss | Recognised in other comprehensive income | As at 31st March, 2023 |
|---|---|---|---|---|
| **2022-23** | | | | |
| **Deferred tax assets / (liabilities) in relation to:** | | | | |
| Property, Plant and Equipment and on intangible assets | (13.67) | (2.60) | - | (16.27) |
| Expenses deductible / income taxable in other tax accounting period and change in fair value | (60.29) | 44.92 | 11.08 | (4.29) |
| Provision for Expected Credit Loss and others | 161.95 | (7.06) | (0.53) | 154.36 |
| **TOTAL** | **87.99** | **35.26** | **10.55** | **133.80** |

## 11. OTHER ASSETS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Capital Advances | 54.48 | 66.61 |
| Prepaid Expenses | 32.06 | 30.76 |
| VAT Credit and WCT Receivable | 27.96 | 28.39 |
| Amount Due from Customers under Construction and other Contracts (Contract assets) | 23.19 | - |
| **TOTAL** | **137.69** | **125.76** |
| **(ii) Current** | | |
| Taxes and duties Recoverable | 49.22 | 76.10 |
| VAT Credit and WCT Receivable | 90.90 | 98.93 |
| GST Receivable | 629.32 | 445.73 |
| Export Benefits Receivable | 9.26 | - |
| Taxes Paid Under Protest | 9.17 | 7.18 |
| Advance to Suppliers | 465.46 | 342.69 |
| Prepaid Expenses | 95.59 | 76.34 |
| Amount Due from Customers under Construction and other Contracts (Contract assets) | 6,059.36 | 4,894.81 |
| **TOTAL** | **7,408.28** | **5,941.78** |

### 11.1 Amount due from/ (to) Customers under Construction Contracts in progress at the end of the reporting period

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Recognised as amounts due: | | |
| from Customers under Construction Contracts | 6,133.89 | 4,911.86 |
| to Customers under Construction Contracts (Refer Note 21) | (480.86) | (472.35) |
| Advances from Customer (Refer Note 21) | (3,544.43) | (3,024.89) |
| Less: Allowance for expected credit loss- Current | (15.37) | (17.05) |
| Less: Allowance for expected credit loss- Non current | (35.97) | - |
| | **2,057.26** | **1,397.57** |

202410180065S

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 11. OTHER ASSETS (CONTD..):

**11.2** The contract assets represents amount due from customer, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when invoice is raised on achievement of contractual milestones. This usually occurs when the Company issues an invoice to the customer. The contract liabilities represents amount due to customer, primarily relate to invoice raised on customer on achievement of milestones for which revenue to be recognised over the period of time and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage.

**11.3** Increase in contract assets is mainly due to increase in business activities and in certain contracts on account of contractual milestones not achieved. During the year ended 31st March, 2024 ₹ 4,852.10 Crores (Previous year ₹ 3,423.80 Crores) of contract assets as of April 1, 2023 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

**11.4** In case of EPC contracts, amount upto 20% of the contract value is paid as an advance and upto 20% amount is retained and released at the end of project and balance amount is paid progressively based on the agreed milestones in the contract.

**11.5** There are no reconciliation items of revenue recognised from contracts with customers and contract price.

**11.6** Revenue recognised for the current year includes ₹ 1425.45 Crores (Previous year ₹ 951.64 Crores), that was classified as contract liabilities at the beginning of the year.

## 12. INVENTORIES

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Raw Materials and Components (including goods in transit ₹ 1.96 Crores) (Previous Year ₹ 0.21 Crores) | 302.94 | 161.73 |
| Work-in-progress | 37.15 | 24.99 |
| Finished goods | 102.00 | 131.75 |
| Store, Spares, Construction Materials and Tools | 791.10 | 762.37 |
| Scrap | 6.47 | 6.59 |
| **TOTAL** | **1,239.66** | **1,087.43** |

12.1 Refer accounting policy 4 G for valuation of inventories.

## 13. CASH AND CASH EQUIVALENTS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Balances With Banks | | |
| In Bank Accounts | 824.47 | 753.75 |
| In Fixed Deposit Accounts (with original maturity of less than 3 months) | - | 1.72 |
| Cash on Hand | 2.78 | 3.59 |
| **TOTAL** | **827.25** | **759.06** |

## 14. OTHER BALANCES WITH BANKS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Unpaid Dividend Accounts | 0.65 | 0.68 |
| Deposits with original maturity more than 3 months but less than 12 months** | 20.89 | 98.31 |
| **TOTAL** | **21.54** | **98.99** |

**Includes ₹ 20.00 Crores (Previous year ₹ 98.31) held as margin money and towards other commitments

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 15. CURRENT TAX

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Net current tax assets/(liability) | 118.84 | 132.31 |
| Comprising of: | | |
| Current Tax Assets | 127.37 | 167.65 |
| Current Tax Liability | 8.53 | 35.34 |

## 16. EQUITY SHARE CAPITAL

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **AUTHORISED :** | | |
| 42,50,00,000 (Previous year 42,50,00,000) Equity Shares of ₹ 2 each | 85.00 | 85.00 |
| **TOTAL** | **85.00** | **85.00** |
| **ISSUED, SUBSCRIBED AND PAID-UP:** | | |
| 16,24,46,152 (Previous year 16,24,46,152) Equity Shares of ₹ 2 each fully paid up | 32.49 | 32.49 |
| **TOTAL** | **32.49** | **32.49** |

### 16.1 Reconciliation of the Number of Equity shares and amount outstanding at the beginning and at the end of the reporting year

| Equity Shares | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | No of shares | ₹ in Crores | No of shares | ₹ in Crores |
| Shares outstanding at the beginning of the year | 16,24,46,152 | 32.49 | 14,89,09,208 | 29.78 |
| Add: Shares Issue during the year (Refer Note 52)* | | | 1,35,36,944 | 2.71 |
| Shares outstanding at the end of the year | 16,24,46,152 | 32.49 | 16,24,46,152 | 32.49 |

*Shares issued for consideration other than cash

**16.2** The Company has only one class of Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

**16.3** During the financial year 2019-2020, the Company has acquired 19.94% stake in Shree Shubham Logistics Limited (SSL) for a consideration of ₹ 64.66 crores. The consideration is paid through a non-cash equity swap transaction, in which 12,54,900 equity shares of the Company issued at the value of ₹ 515.25 per share.

### 16.4 Shareholding of promoters

| Promoter Name | As at 31st March, 2024 | | As at 31st March, 2023 | | % Change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| Mr. Mofatraj Pukharaj Munot | 1,63,43,218 | 10.06% | 1,63,43,218 | 10.06% | 0.00% |
| Mr. Parag Mofatraj Munot | 6,39,331 | 0.39% | 79,63,615 | 4.90% | -4.51% |

202410180065

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 16. EQUITY SHARE CAPITAL (CONTD..):

### 16.5 Details of shareholders holding more than 5% shares in the Company

| Name of Shareholder | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Mr. Mofatraj Pukharaj Munot | 1,63,43,218 | 10.06 | 1,63,43,218 | 10.06 |
| Kalpataru Construction Private Limited | 2,23,50,000 | 13.76 | 2,33,50,000 | 14.37 |
| K. C. Holdings Private Limited | 2,07,76,884 | 12.79 | 2,11,42,600 | 13.02 |
| HDFC Trustee Company Limited | 1,58,58,733 | 9.76 | 1,59,65,131 | 9.83 |
| ICICI Prudential Value Discovery Fund | 1,44,15,501 | 8.87 | 1,29,26,520 | 7.96 |
| SBI Small Cap Fund | 1,48,56,020 | 9.15 | 1,32,05,365 | 8.13 |
| Kotak Mahindra Trustee Co Ltd A/C Kotak Multicap Fund | 1,00,91,584 | 6.21 | 94,71,561 | 5.83 |

## 17. OTHER EQUITY

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **Securities Premium :** | | |
| At the beginning of the year | 668.12 | 668.12 |
| **At the end of the year** | **668.12** | **668.12** |
| **Debentures Redemption Reserve :** | | |
| At the beginning of the year | 3.84 | 39.49 |
| Less : Transferred to General Reserve | 3.84 | 35.65 |
| **At the end of the year** | **-** | **3.84** |
| **General Reserve :** | | |
| At the beginning of the year | 562.33 | 516.68 |
| Add : Transferred from Debenture Redemption Reserve | 3.84 | 35.65 |
| Add : Transferred from Retained Earnings | 10.00 | 10.00 |
| **At the end of the year** | **576.17** | **562.33** |
| **Capital Redemption Reserve :** | | |
| At the beginning of the year | 1.16 | 1.16 |
| **At the end of the year** | **1.16** | **1.16** |
| **Capital Reserve :** | | |
| At the beginning of the year | 325.45 | 325.45 |
| **At the end of the year** | **325.45** | **325.45** |
| **Retained Earnings :** | | |
| At the beginning of the year | 3,760.86 | 3,341.11 |
| Add : Profit for the year | 533.00 | 531.95 |
| Less : Dividend on Equity Shares | 113.71 | 102.20 |
| Less : Transfer to General Reserve | 10.00 | 10.00 |
| **At the end of the year** | **4,170.15** | **3,760.86** |
| **Other Comprehensive Income / (Loss) :** | | |
| At the beginning of the year | (34.52) | 12.59 |
| Add: Other comprehensive income / (loss) for the year | 11.02 | (47.11) |
| **At the end of the year** | **(23.50)** | **(34.52)** |
| **TOTAL** | **5,717.55** | **5,287.24** |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 18 (i) NON-CURRENT BORROWINGS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current |
| **Secured - At amortised cost** | | | | |
| (a) Non-Convertible Redeemable Debentures | - | - | - | 75.00 |
| (b) Term Loans | - | - | - | - |
| From Banks | 121.85 | 66.68 | 271.18 | 136.48 |
| From NBFC | - | - | - | 14.01 |
| From others | 239.43 | 99.01 | 233.95 | - |
| **Unsecured - At amortised cost** | | | | |
| (a) Non-Convertible Redeemable Debentures | 786.50 | 236.50 | 423.00 | 150.00 |
| (b) Term Loan from NBFC | - | - | - | - |
| Less : Unamortised Transaction Cost of Borrowings | (3.71) | (2.90) | (3.63) | (1.07) |
| Amount disclosed under the head "Current Borrowings" [Refer Note 18 (ii)] | - | (399.29) | - | (374.42) |
| **TOTAL** | **1,144.07** | **-** | **924.50** | **-** |

### 18.1 Details of Debentures :

| Redemption Profile | As at 31st March, 2024 | As at 31st March, 2023 | Interest rate | Date of Allotment |
|---|---|---|---|---|
| **(a) Secured Non-Convertible Redeemable Debentures (NCD) :** | | | | |
| Series III NCDs redeemable on 28.08.2023 | - | 75.00 | 9.95% | 28.08.2018 |
| **(b) Unsecured Non-Convertible Redeemable Debentures (NCD) :** | | | | |
| NCDs redeemable on 01.10.2027 | 150.00 | - | Repo rate + Margin | 03.10.2023 |
| NCDs redeemable on 05.02.2027 | 150.00 | - | 8.32% | 06.02.2024 |
| NCDs redeemable on 29.06.2026 | 300.00 | - | 8.07% | 28.06.2023 |
| Redeemable at face value : remaining 1 instalment due on 09.12.2025 | 99.00 | 99.00 | Repo rate + Margin | 09.12.2022 |
| NCDs redeemable on 04.11.2025 | 50.00 | 50.00 | Repo rate + Margin | 04.11.2022 |
| NCDs redeemable on 17.10.2025 | 37.50 | 37.50 | Repo rate + Margin | 17.10.2022 |
| Redeemable at face value : remaining 1 instalment due on 10.01.2025 | 100.00 | 200.00 | 6.15% | 12.01.2022 |
| NCDs redeemable on 13.12.2024 | 24.00 | 24.00 | 9.80% | 15.12.2021 |
| NCDs redeemable on 04.11.2024 | 50.00 | 50.00 | Repo rate + Margin | 04.11.2022 |
| NCDs redeemable on 17.10.2024 | 37.50 | 37.50 | Repo rate + Margin | 17.10.2022 |
| NCDs redeemable on 14.06.2024 | 25.00 | 25.00 | 9.80% | 15.12.2021 |
| NCDs redeemable on 15.12.2023 | - | 25.00 | 9.80% | 15.12.2021 |
| NCDs redeemable on 15.06.2023 | - | 25.00 | 9.80% | 15.12.2021 |

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 18 (i) NON-CURRENT BORROWINGS (CONTD..) :

### 18.2 Term Loans from Banks and Other Loans

(a) ₹ 0.09 Crores (Previous Year ₹ 0.40 Crores) carries interest in range of 7.40% - 9.25% p.a. and is repayable in range of 1 to 38 equal monthly instalments along with interest. The Loan is secured by hypothecation of specific Vehicles.

(b) ₹ 15.00 Crores (Previous Year ₹ 75.00 Crores) carries interest of 8.95% p.a, linked to RBI repo rate secured by pari passu charges on movable and immovable fixed assets of transmission & distribution and infrastructure division of the Company to the extent of 1.25 times of outstanding facility. It is repayable in 16 quarterly instalments ending on 01 June, 2024.

(c) Term loan from a bank amounting to ₹ 85.00 Crores (Previous Year: ₹ 100.00) is secured exclusive charge on movable fixed assets funded out of the said facility. Term loan is repayable in 17 unequal quarterly instalments with 29 July 2027 as maturity date with varying interest rate linked to 3M MCLR of bank from time to time.

(d) Term loan from a bank amounting to ₹ 77.78 Crores (Previous Year: ₹ 100.00 Crores) is secured exclusively by first charge on movable fixed assets (excluding assets been already charged on specific basis to exiting term lenders). Term loan is repayable in 18 equal quarterly instalments ending in 07 September, 2027 as maturity date with varying interest rate linked to 1 Month T-bill from time to time

(e) Term loan from a bank amounting to ₹ Nil Crores (Previous Year: ₹ 1.18 Crores) is secured exclusively by first charge on movable Property, Plant and Equipment funded out of the said facility.

(f) Term loan from a bank amounting to ₹ Nil Crores (Previous Year: ₹ 17.50 Crores) is secured by first pari passu charge on entire movable fixed assets to the extent of 1.10 times of security cover of outstanding facility.

(g) Term loan from a bank amounting to ₹ Nil Crores (Previous Year: ₹ 0.38 Crores) is secured exclusively by first charge on movable equipment funded out of the said facility.

(h) Term loan from a bank amounting to ₹ Nil Crores (Previous Year: ₹ 5.00 Crores) is secured exclusively by first charge on movable fixed assets funded out of the said facility.

(i) Term loan from a bank amounting to ₹ 1.95 Crores (Previous Year: ₹ 2.84 Crores ) is secured exclusively by first charge on movable equipment funded out of the said facility. Term loan is repayable in unequal monthly instalments with 28 February, 2026 as maturity date with fixed interest rate.

(j) Term loan from a bank amounting to ₹ 8.71 Crores (Previous Year: ₹ 11.92 Crores) is secured exclusively by first charge on movable equipment funded out of the said facility. Term loan is repayable in unequal monthly instalments with March, 2027 as maturity date with fixed interest rate.

(k) Term loan from a bank amounting to ₹ Nil Crores (Previous Year: ₹ 47.50 Crores) is secured exclusive charge on specific movable fixed assets funded out of the said facility and DSRA of 10% of facility amount.

(l) Term loan from a bank amounting to ₹ Nil Crores (Previous Year: ₹ 36.75 Crores) is secured exclusive charge on specific movable fixed assets funded out of the said facility and DSRA 10% of facility amount.

(m) Term loan from a bank amounting to ₹ Nil Crores (Previous Year: ₹ 9.19 Crores) is secured exclusive charge on specific movable fixed assets funded out of the said facility and DSRA of 10% of facility amount.

(n) Term loan from NBFC amounting to ₹ Nil Crores (Previous Year: ₹ 1.52 Crores) is secured by exclusive charge by way of hypothecation for equipment financed by them.

(o) Term loan from NBFC amounting to ₹ Nil Crores (Previous Year: ₹ 6.25 Crores) is secured by first pari passu charge on entire movable fixed assets (excluding capital expenditure assets charged exclusively to corresponding capital expenditure lender) of the borrower providing minimum FACR of 1.25 times.

(p) Term loan from NBFC amounting to ₹ Nil Crores (Previous Year: ₹ 6.25 Crores) is secured by first pari passu charge on entire movable fixed assets (excluding capital expenditure assets charged exclusively to corresponding capital expenditure lender) of the borrower providing minimum FACR of 1.25 times.

(q) Other Loans of ₹ 338.44 Crores (Previous Year ₹ 233.95 Crores) are interest free and secured by pledge of Equity shares of Alipurduar Transmission Ltd and Kohima Mariani Transmission Ltd. The loans are repayable in 1 to 5 years.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 18. (ii) CURRENT BORROWINGS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **Secured** | | |
| Working Capital Facilities from Banks | 1,720.13 | 1,635.72 |
| Current maturities of long term debt (Refer Note 18 (i)) | 165.69 | 224.42 |
| ***Unsecured*** | | |
| Current maturities of long term debt (Refer Note 18 (i)) | 233.60 | 150.00 |
| **TOTAL** | **2,119.42** | **2,010.14** |

Working Capital Facilities from Banks amounting to ₹ 1,720.13 Crores (Previous year ₹ 1,635.72) are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, book debts, bills receivable and all other movable assets on pari passu basis (except Biomass division and project specific receivables) and also secured by movable and immovable fixed assets (Excluding land and building at Raipur but including land and building situated at Gandhinagar, Gujarat) of transmission and distribution division and infrastructure division of Company. Working Capital Facilities carries interest in range of 5% to 10% (Previous year 2% to 10%).

## 19. TRADE PAYABLE*

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Others | 115.60 | 161.40 |
| **TOTAL** | **115.60** | **161.40** |
| **(ii) Current** | | |
| Total outstanding dues of Micro and Small enterprises | 222.45 | 150.91 |
| Others | 5,013.52 | 4,431.56 |
| **TOTAL** | **5,235.97** | **4,582.47** |

* Refer Note 44 for Trade payables ageing and Refer Note 40 for Related party Balances

All Trade payables are non interest bearing and current Trade payable are to be settled within normal operating cycle of the Company.

## 20. OTHER FINANCIAL LIABILITIES

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Current** | | |
| Creditors for capital expenditure** | 20.02 | 29.22 |
| Deposit from Vendors | 482.26 | 272.12 |
| Interest accrued but not due | 35.59 | 14.87 |
| Unpaid Dividend | 0.65 | 0.68 |
| Others* | 265.82 | 217.62 |
| **TOTAL** | **804.34** | **534.51** |

*Others mainly includes employee liabilities

**Include current year dues to Micro and small enterprises of ₹ 1.17 Crores.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 21. OTHER LIABILITIES

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Deposit from Customer | 0.35 | 0.25 |
| Advance from Customers | - | 272.12 |
| Other Payables | 4.94 | 3.64 |
| **TOTAL** | **5.29** | **276.01** |
| **(ii) Current** | | |
| Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1 & 11.2) | 480.86 | 472.35 |
| Advance from Customers (Contract liabilities) (Refer Note 11.1 & 11.2) | 3,544.43 | 2,752.77 |
| Statutory Liabilities | 218.35 | 136.11 |
| Deferred Income | - | 0.42 |
| **TOTAL** | **4,243.64** | **3,361.65** |

## 22. PROVISIONS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Employee benefits (Refer Note 38) | 42.22 | 33.14 |
| Performance Warranties (Refer Note 33) | 5.04 | 37.99 |
| **TOTAL** | **47.26** | **71.13** |
| **(ii) Current** | | |
| Employee benefits (Refer Note 38) | 16.19 | 15.05 |
| Performance Warranties (Refer Note 33) | 328.78 | 255.35 |
| Expected Loss on Long Term Contracts (Refer Note 33) | 77.09 | 87.99 |
| Others (Refer Note 33) | 26.39 | 25.60 |
| **TOTAL** | **448.45** | **383.99** |

## 23. REVENUE FROM OPERATIONS

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Revenue from Contracts with Customers | | |
| Sale of Products | | |
| Tower Parts & Components | 173.20 | 656.84 |
| Others | 96.31 | 98.64 |
| Income from EPC contracts | 16,326.29 | 13,443.79 |
| Income from Services | - | - |
| Other Operating Revenue | | |
| Sale of Scrap | 136.18 | 107.59 |
| Export Benefits | 27.68 | 29.96 |
| **TOTAL** | **16,759.66** | **14,336.82** |

Revenue as per geographical segment is disclosed in Note 55

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 23. REVENUE FROM OPERATIONS (CONTD..) :

**Disaggregation of Revenue**

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Transmission and Distribution | 5,348.22 | 4,371.94 |
| Building & Factories | 4,790.33 | 4,135.69 |
| Water | 3,511.47 | 2,621.90 |
| Oil & Gas | 821.82 | 984.84 |
| Railways | 1,424.91 | 1,652.04 |
| Urban Infra | 704.60 | 403.06 |
| Others# | 158.30 | 167.35 |

#Other mainly comprises revenue from sale of electricity

## 24. OTHER INCOME

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Interest Income | | |
| On financial assets carried at amortised cost | | |
| On Loans | 53.31 | 34.30 |
| On Fixed deposits | 19.00 | 10.27 |
| Others | 26.04 | 6.15 |
| On Non financial assets | 10.08 | 5.48 |
| Dividend Income | | |
| Dividend from investment in subsidiaries | - | 51.86 |
| Dividend from investment measured at FVTPL | - | 0.08 |
| Other non operating income | | |
| Rent Income | 3.33 | 7.86 |
| Grant Received | 0.18 | - |
| Insurance Claims | 1.22 | 0.10 |
| Miscellaneous Income | 2.21 | 0.55 |
| Other Gains and Losses | | |
| Gain on Investments designated at FVTPL | 0.19 | 0.06 |
| (Loss) on disposal of Property Plant & Equipment (net) | (2.53) | (5.36) |
| Others | 0.42 | 0.34 |
| **TOTAL** | **113.45** | **111.69** |

## 25. COST OF MATERIAL CONSUMED

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Raw Materials | | |
| Steel | 832.71 | 788.27 |
| Zinc | 146.64 | 157.11 |
| Components & Accessories, etc | 2,180.82 | 1,975.19 |
| Construction Materials | 3,989.82 | 3,525.50 |
| Agricultural Residues | 51.01 | 41.67 |
| **TOTAL** | **7,201.00** | **6,487.74** |

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **STOCK AT BEGINNING OF THE YEAR** | | |
| Finished Goods | 131.75 | 110.73 |
| Work-in-progress | 24.99 | 33.13 |
| Scrap | 6.59 | 6.02 |
| | **163.33** | **149.88** |
| **STOCK AT CLOSE OF THE YEAR** | | |
| Finished Goods | 102.00 | 131.75 |
| Work-in-progress | 37.15 | 24.99 |
| Scrap | 6.47 | 6.59 |
| | **145.62** | **163.33** |
| **(INCREASE)/DECREASE IN INVENTORY** | **17.71** | **(13.45)** |

## 27. EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Salaries, Wages and Bonus | 1,122.02 | 948.22 |
| Contributions to Provident and Other Funds | 56.88 | 49.06 |
| Employees' Welfare Expenses | 15.43 | 36.55 |
| **TOTAL** | **1,194.33** | **1,033.83** |

## 28. FINANCE COSTS

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Interest Expense | 314.26 | 271.56 |
| Other Borrowing Costs | 18.15 | 15.65 |
| Exchange Rate Variation | 4.62 | 6.69 |
| **TOTAL** | **337.03** | **293.90** |

## 29. OTHER EXPENSES

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Job Charges | 45.09 | 35.09 |
| Power and Fuel | 20.89 | 22.25 |
| Repairs and Maintenance: | | |
| Plant and Machinery | 3.28 | 3.60 |
| Buildings | 1.80 | 3.41 |
| Others | 0.87 | 0.67 |
| Freight and Forwarding Expenses | 190.83 | 243.28 |
| Stores, Spares and Tools Consumed | 16.18 | 15.21 |
| Vehicle/ Equipment Running and Hire Charges | 3.90 | 11.20 |
| Testing Expenses | 2.21 | 1.58 |
| Pollution Control Expenses | 1.64 | 2.12 |
| Insurance | 76.33 | 49.66 |
| Rent | 69.60 | 33.97 |
| Rates, Taxes and Duties | 81.99 | 80.67 |
| Stationery, Printing and Drawing Expenses | 14.36 | 9.34 |
| Telecommunication Expenses | 6.22 | 6.59 |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 29. OTHER EXPENSES (CONTD..) :

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Travelling Expenses | 110.51 | 98.95 |
| Legal and Professional Expenses | 110.37 | 124.51 |
| Payment to Auditors | | |
| Audit Fees | 2.98 | 2.62 |
| Other Services & Reports | 0.56 | 0.71 |
| Reimbursement of Expenses | 0.28 | 0.20 |
| Bank Commission and Charges (including ECGC Premium) | 161.19 | 135.99 |
| Allowance for Expected Credit Losses | 77.06 | (10.45) |
| Loss / (Gain) on Exchange Rate Variation | 61.10 | (7.94) |
| Sitting Fees & Commission to Non-Executive Directors | 7.62 | 8.90 |
| Corporate Social Responsibility Expenses | 9.07 | 8.87 |
| Carbon Credit Expenses | 0.16 | 0.01 |
| Miscellaneous Expenses* | 126.07 | 89.97 |
| **TOTAL** | **1,202.16** | **970.98** |

* Includes ₹ 25.50 Crore as contribution towards Electoral bond given to Bhartiya Janata Party

## 30. CONTINGENT LIABILITIES IN RESPECT OF

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| (a) Bank guarantees given by the Company | 36.59 | 36.59 |
| (b) Claims against Company not acknowledged as debt | 23.20 | 32.29 |
| (c) Demands by Tax/ Stamp Duty/Revenue/Other Statutory authorities, disputed by the Company | 135.19 | 175.72 |
| (d) Corporate Guarantee / Letter of Comfort given for loan to subsidiaries | 335.86 | 319.35 |
| (e) Bank Guarantee given on behalf of subsidiaries | 932.32 | 744.11 |
| (f) Deed of Indemnity given on behalf of a subsidiary | 139.63 | 141.34 |

Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

## 31. CAPITAL & OTHER COMMITMENTS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Estimated amount of contracts remaining to be executed for Tangible Capital Assets and not provided for (Net of advances) | 210.66 | 105.38 |

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 32. CSR EXPENDITURE

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(a) Gross amount required to be spent by the company during the year** | | |
| **Opening balance as at 01st April, 2023** | | |
| With Company | | |
| In Separate CSR Unspent A/c | 3.41 | 4.25 |
| Amount required to be spent during the year* | 9.07 | 8.83 |
| Amount spent during the year | | |
| From Company's bank A/c | 6.53 | 7.41 |
| From Separate CSR Unspent A/c | 3.06 | 2.26 |
| **Closing balance as at 31st March, 2024** | | |
| With Company | | |
| In Separate CSR Unspent A/c FY 20-21 | - | 0.61 |
| In Separate CSR Unspent A/c FY 21-22 | 0.35 | 1.38 |
| In Separate CSR Unspent A/c FY 22-23 | - | 1.42 |
| In Separate CSR Unspent A/c#FY 23-24 | 2.54 | - |
| *Approved by CSR Committee and Board of Directors | | |
| #Amount transferred to CSR unspent account on April 24, 2024 is ₹ 2.99 Crores | | |
| **(b) Amount spent on purposes other than construction/ acquisition of any assets**** | | |
| Eradicating Hunger, Promoting Healthcare | 2.13 | 1.94 |
| Promoting Education, Sanitation | 5.72 | 7.21 |
| Environment, Technology, Administrative and others | 1.79 | 0.52 |
| **Total** | **9.64** | **9.67** |
| ** During the year company has spend additional CSR amounting to ₹ 0.05 Crores for the financial year 2022-23. | | |
| **(c) Refer note 40 for related party disclosures** | | |

## 33. THE DISCLOSURE AS REGARDS TO PROVISION AS PER IND AS 37 " PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS"

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **a DISCLOSURE AS REGARDS TO PROVISION FOR PERFORMANCE WARRANTIES** | | |
| Carrying amount at the beginning of the year | 293.34 | 277.32 |
| Add: Provision/Expenses during the year | 161.67 | 107.39 |
| Less : Reversal/Utilisation during the year | 121.19 | 91.37 |
| **Carrying amount at the end of the year** | **333.82** | **293.34** |
| **b PROVISION FOR EXPECTED LOSS ON LONG TERM CONTRACT** | | |
| Carrying amount at the beginning of the year | 87.99 | 120.77 |
| Add: Provision/Expenses during the year (Net) | 12.62 | 63.92 |
| Less : Reversal/ Utilisation during the year | 23.52 | 96.70 |
| **Carrying amount at the end of the year** | **77.09** | **87.99** |
| **c OTHER PROVISIONS** | | |
| Carrying amount at the beginning of the year | 25.60 | 26.39 |
| Add: Provision/Expenses during the year | 0.79 | (0.79) |
| **Carrying amount at the end of the year** | **26.39** | **25.60** |

**Provision for performance warranties -** The Company has made provision for expenses during defect liability period mentioned in contracts. The provision is based on the estimates made from historical data associated with similar projects. The Company expects to incur the related expenditure over the defect liability period.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 34. EARNINGS PER SHARE

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| No. of Equity Shares at the beginning of the year | 16,24,46,152 | 16,24,46,152 |
| No. of Equity Shares at the end of the year | 16,24,46,152 | 16,24,46,152 |
| Weighted Average No. of Equity Shares | 16,24,46,152 | 16,24,46,152 |
| Profit for calculation of EPS (₹ in Crores) | 533.00 | 531.95 |
| Basic and Diluted Earnings Per Share (₹) | 32.81 | 32.75 |
| Nominal value of Equity Share (₹) | 2.00 | 2.00 |

## 35. ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF :

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Subcontracting expenses | 3,989.17 | 3,380.33 |
| Construction material, stores and spares consumed | 712.51 | 573.27 |
| Power and fuel | 261.51 | 219.06 |
| Freight and Forwarding Expenses | 144.50 | 38.17 |
| Vehicle and Equipment Hire Charges | 280.04 | 279.21 |
| Custom Duty, Clearing & Handling Charges | 88.43 | 39.30 |
| Others | 303.05 | 158.88 |
| **TOTAL** | **5,779.21** | **4,688.22** |

## 36. LEASES

**1** The Company's significant leasing/ licensing arrangements are mainly in respect of residential / office premises. Leases generally have a lease term ranging from 14 months to 110 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

**2 Right-of-use assets by class of assets is as follows.**

**FY 2023-24**

(₹ in Crores)

| Particulars | Gross Block | | | | Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2023 | Additions | Deductions | As at 31st March, 2024 | As at 1st April, 2023 | For the Year | Deductions | As at 31st March, 2024 | As at 31st March, 2024 |
| **TANGIBLE ASSETS** | | | | | | | | | |
| Land | - | 2.46 | 0.97 | 1.49 | - | 1.55 | 0.97 | 0.58 | 0.91 |
| Buildings | 86.83 | 32.32 | 30.36 | 88.79 | 48.87 | 24.08 | 30.36 | 42.58 | 46.21 |
| Furniture and Fixture | 0.04 | - | 0.04 | - | 0.03 | 0.01 | 0.04 | 0.01 | (0.01) |
| Plant & Equipments | 65.21 | 0.15 | 1.66 | 63.70 | 26.82 | 18.41 | 1.66 | 43.57 | 20.13 |
| Vehicles | - | 0.11 | - | 0.11 | - | 0.02 | - | 0.02 | 0.09 |
| **TOTAL** | **152.08** | **35.04** | **33.03** | **154.09** | **75.72** | **44.07** | **33.03** | **86.76** | **67.33** |

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 36. LEASES (CONTD..) :

**FY 2022-23**

(₹ in Crores)

| Particulars | Gross Block | | | | Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2022 | Additions | Deductions | As at 31st March, 2023 | As at 1st April 2022 | For the Year | Deductions | As at 31st March, 2023 | As at 31st March, 2023 |
| **TANGIBLE ASSETS** | | | | | | | | | |
| Land | 0.36 | - | 0.36 | - | 0.13 | 0.23 | 0.36 | - | - |
| Buildings | 122.87 | 16.84 | 52.88 | 86.83 | 69.00 | 31.05 | 51.18 | 48.87 | 37.96 |
| Furniture and Fixture | 0.04 | - | | 0.04 | 0.01 | 0.02 | - | 0.03 | 0.01 |
| Plant & Equipments | 60.97 | 5.91 | 1.67 | 65.21 | 12.07 | 16.42 | 1.67 | 26.82 | 38.39 |
| **TOTAL** | **184.24** | **22.75** | **54.91** | **152.08** | **81.21** | **47.72** | **53.21** | **75.72** | **76.36** |

3 Finance costs includes interest expense amounting to ₹ 6.07 Crores (Previous Year ₹ 8.02 Crores) for the year ended 31st March 2024 on lease liability accounted in accordance with Ind AS 116 "Leases".

4 Rent expense in Note No. 29 Represents lease charges for short term leases.

### 5 Lease liabilities

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **Maturity analysis - Undiscounted cash flows** | | |
| Less than one year | 42.03 | 40.92 |
| More than one year | 30.41 | 44.11 |
| **Total undiscounted lease liabilities** | **72.44** | **85.03** |
| **Lease liabilities included in financial position** | | |
| Current | 38.16 | 37.17 |
| Non current | 28.56 | 39.89 |

## 37. DISCLOSURE UNDER REGULATION 34 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186(4) OF THE COMPANIES ACT, 2013.

### 37.1 Details of loans given :

(₹ in Crores)

| Particulars | As at 31st March, 2024 | Maximum Balance during the year 2023-24 | As at 31st March, 2023 | Maximum Balance during the year 2022-23 |
|---|---|---|---|---|
| Shree Shubham Logistics Limited | 151.52 | 151.52 | 125.58 | 125.58 |
| Kalpataru Power Transmission (Mauritius) Limited | 5.16 | 5.16 | 5.16 | 5.16 |
| Adeshwar Infrabuild Limited | 0.25 | 0.25 | 0.25 | 0.25 |
| Kalpataru Power Transmission Sweden AB | 203.93 | 209.71 | 204.20 | 205.46 |
| Saicharan Properties Limited | 95.86 | 142.43 | 142.43 | 199.15 |
| Kalpataru Power Chile SpA | 151.46 | 151.46 | 42.47 | 42.47 |
| Kalpataru power do brasil participações ltda | 68.90 | 68.90 | 26.36 | 26.36 |
| LLC Kalpataru Power Transmission Senegal | - | - | 0.02 | 2.48 |
| Brijbhoomi Expressway Private Limited* | 63.13 | 63.13 | 60.78 | 60.78 |
| Wainganga Expressway Private Limited* | 267.72 | 267.72 | 220.24 | 220.24 |
| Vindhyachal Expressway Private Limited | 354.17 | 354.17 | 319.82 | 319.82 |

*Excluding Fair value adjustments as per accounting standard INDAS109

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 37. DISCLOSURE UNDER REGULATION 34 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186(4) OF THE COMPANIES ACT, 2013. (CONTD..):

(₹ in Crores)

| Particulars | As at 31st March, 2024 | Maximum Balance during the year 2023-24 | As at 31st March, 2023 | Maximum Balance during the year 2022-23 |
|---|---|---|---|---|
| JMC Mining and Quarries Limited | 0.75 | 0.75 | 0.75 | 0.75 |
| Kurukshetra Expressway Private Limited | 303.46 | 303.46 | 301.68 | 301.68 |
| Crest Ventures Limited | - | 45.00 | - | 50.27 |
| | **1,666.31** | **1,763.66** | **1,449.74** | **1,560.45** |

**37.2 Investment by below entities in their Subsidiaries :**

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Shree Shubham Logistics Limited | 19.88 | 19.88 |
| Energy Link (India) Limited | 151.15 | 151.15 |
| Kalpataru Power Transmission (Mauritius) Limited | 1.39 | 1.39 |
| Kalpataru Power Transmission Sweden AB | 241.88 | 241.88 |
| Kalpataru Power Do Brasil Participações Ltda | 164.73 | 69.24 |

**37.3 Details of Investments made by the company are given in Note 6 . Details of guarantees provided are given in Note 30.**

**37.4 All loans given and guarantees provided are for the purposes of the business.**

## 38. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS

### (a) Defined contribution Plans

The Company made contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Company recognized ₹ 37.17 Crores (Previous Year ₹ 32.68 Crores ) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

The Company makes contribution towards Employees State Insurance scheme operated by ESIC Corporation. The Company recognized ₹ 0.12 Crores (Previous Year ₹ 0.26 Crores ) for ESIC contribution in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

### (b) Defined benefit plans

The Company offers the following employee benefit schemes to its employees.

#### (i) Gratuity

The company made annual contributions to the Employee's Group Gratuity cash accumulation scheme's of IRDA approved agencies, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service as per the provisions of the Gratuity Act, 1972.

#### (ii) Compensated absences

The Scheme is non-funded.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 38. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (CONTD..):

**(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity.**

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **(i) Expenses recognised during the year** | | |
| In Statement of Profit & Loss | 11.67 | 8.92 |
| In Other Comprehensive Income | 5.22 | (2.11) |
| **TOTAL** | **16.89** | **6.81** |
| **(ii) Expenses recognised in the Statement of Profit & Loss** | | |
| Current Service Cost | 10.11 | 7.89 |
| Net Interest Cost | 1.56 | 1.03 |
| **TOTAL** | **11.67** | **8.92** |
| **(iii) Expenses recognised in other comprehensive income** | | |
| Actuarial (gains) / losses on account of | | |
| change in demographic assumptions | (0.77) | - |
| change in financial assumptions | 0.78 | (3.12) |
| experience adjustments | 4.10 | 0.98 |
| Return on plan assets | 1.11 | 0.03 |
| **TOTAL** | **5.22** | **(2.11)** |

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(iv) Net Liability recognised in the Balance Sheet** | | |
| Present value of obligation | 71.04 | 60.57 |
| Closing Fair value of plan assets | 36.55 | 36.97 |
| **Assets/ (Liability) Recognized in Balance Sheet** | **(34.49)** | **(23.60)** |
| **(v) Changes in Present Value of Obligations** | | |
| Present value of obligation at the beginning of the year | 60.57 | 57.38 |
| Current service cost | 10.11 | 7.89 |
| Interest cost | 4.48 | 3.32 |
| Actuarial (gains) / losses arising from: | | |
| changes in financial assumptions | 0.78 | (3.12) |
| changes in demographic assumptions | (0.77) | - |
| changes in experience assumptions | 4.10 | 0.98 |
| Benefits paid | (8.23) | (5.88) |
| **Present value of obligation at the end of the year** | **71.04** | **60.57** |
| **(vi) Changes in Fair Value of Plan Assets** | | |
| Fair value of Plan Assets at the beginning of the year | 36.97 | 34.49 |
| Interest Income | 2.92 | 2.29 |
| Return on plan assets | (1.11) | (0.03) |
| Contributions by Employer | 6.00 | 6.10 |
| Benefits paid | (8.23) | (5.88) |
| **Fair Value of Plan assets at the end of the year** | **36.55** | **36.97** |
| **(vii) Bifurcation of present value of obligations into current and non-current** | | |
| Current Assets / (Liability) | (11.97) | (9.19) |
| Non-current Liability | (22.52) | (14.41) |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 38. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (CONTD..):

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(viii) Actuarial assumptions used in determining the obligation are** | | |
| Discount rate | 7.20% | 7.55% - 7.60% |
| Salary Escalation Rate | 6.00% | 6.00% |
| Mortality Rate | As per Indian Assured Lives Mortality (2012-14) Table | |
| Withdrawal Rate | 2% - 11% | 2% - 21% |
| Retirement Age | 58 years | 58 years |
| Expected Return on Plan Assets | 7.20% | 7.55% - 7.60% |
| **(ix) Maturity Profile of Defined benefit obligation** | | |
| 1 year | 10.85 | 12.26 |
| 2 year | 6.94 | 8.63 |
| 3 year | 6.62 | 7.95 |
| 4 year | 7.08 | 6.95 |
| 5 year | 7.07 | 6.75 |
| After 5 years | 31.87 | 24.44 |
| **(x) Quantitative sensitivity analysis for significant assumptions** | | |
| Defined Benefits Obligation (Base) (₹ in Crores) | 71.04 | 60.57 |
| Impact of change in discount rate | | |
| Revised obligation at the end of the year | | |
| Due to increase of 0.50% | 69.55 | 59.04 |
| Due to decrease of 0.50% | 74.45 | 62.15 |
| Impact of change in salary increase | | |
| Revised obligation at the end of the year | | |
| due to increase of 0.50% | 74.08 | 61.94 |
| due to decrease of 0.50% | 69.81 | 59.22 |

Sensitivities due to mortality and rate of withdrawals are insignificant and therefore, ignored.

(d) Characteristics of defined benefit plans and risks associated with them

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

(i) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

(ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(iv) Investment Risk: The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

**39.** The Company has entered into following arrangements which are classified as Joint Operation as defined in Ind AS 111 "Joint Arrangement".

| Name of Joint Arrangements | Joint Venture Partners | Proportionate Share (%) |
|---|---|---|
| Afcon-KPTL JV | Afcon Infrastructure Limited | 51.00 |
| | Kalpataru Projects International Limited | 49.00 |
| KPIL-GULERMAK JV - Kanpur Metro | Kalpataru Projects International Limited | 70.00 |
| | Gülermak Ağır Sanayi İnşaat ve Taahhüt A Ş. | 30.00 |

## 40. RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS 24 ARE GIVEN BELOW:

**List of Related Parties**

**(a) Subsidiaries**

Shree Shubham Logistics Limited
Energy Link (India) Limited
Amber Real Estate Limited
Kalpataru Power Transmission (Mauritius) Limited
Kalpataru Power Transmission USA Inc
Adeshwar Infrabuild Limited
LLC Kalpataru Power Transmission Ukraine
Kalpataru Metfab Private Limited
Kalpataru IBN Omairah Company Limited
Kalpataru Power Transmission Sweden AB
Kalpataru Power Senegal SARL
Kalpataru Power DO Brasil Participacoes Ltda
Kalpataru Power Chile SpA
JMC Mining and Quarries Limited
Brij Bhoomi Expressway Private Limited
Wainganga Expressway Private Limited
Vindhyachal Expressway Private Limited

**(b) Indirect Subsidiaries**

Saicharan Properties Limited
Punarvasu Financial Services Private Limited
Kalpataru Power DMCC
Linjemontage i Grästorp Aktiebolag
Linjemontage Service Nordic AB
Linjemontage AS
Fasttel Engenharia S.A

**(c) Enterprises under significant influence, which are having transaction with the Company**

Kalpataru Properties Private Limited
Kalpataru Retail Ventures Private Limited
Gurukrupa Developers
Property Solution (India) Private Limited

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 40. RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS 24 ARE GIVEN BELOW (CONTD..):

Kalpataru Limited
Kalpataru Construction Private Limited
K C Holdings Private Limited
Kalpataru Viniyog LLP
Kalpataru Holdings Private Limited
Argos Arkaya Power Solutions LLP
Kalpataru Foundation
Kiyana Ventures LLP
Kalpataru Urbanscape LLP
Agile Real Estate Private Limited
Abacus Real Estate Private Limited
Dynacraft Machine Company Limited
Kalpataru Business Solutions Private Limited

**(d) Key Management Personnel**

| | |
|---|---|
| Manish Mohnot | Managing Director and CEO |

**(e) Individuals having significant influence and their relatives**

| | |
|---|---|
| Mofatraj P. Munot | Promoter Director & Non-Executive Chairman |
| Parag Munot | Promoter Director |
| Sunita Choraria | Relative of Promoter Director |
| Sudha Golechha | Relative of Promoter Director |

**(f) Joint Ventures**

Kurukshetra Expressway Private Limited

**Transactions with Related Parties in ordinary course of business are:**

(₹ in Crores)

| Particulars | Relationship | 2023-24 | 2022-23 |
|---|---|---|---|
| **1 Investment in Equity and Preference Shares** | | | |
| Kalpataru Power Chile SpA | Subsidiary | - | 0.74 |
| JMC Mining & Quarries Limited | Subsidiary | - | 2.50 |
| Kalpataru Power Do Brasil Participações Ltda | Subsidiary | 20.84 | 23.29 |
| **2 Loans and advances given** | | | |
| Shree Shubham Logistics Limited | Subsidiary | 17.00 | - |
| Kalpataru Power Chile SpA | Subsidiary | 107.60 | 40.57 |
| Kalpataru Power Do Brasil Participações Ltda | Subsidiary | 43.28 | 23.78 |
| Kalpataru Power Transmission (Mauritius) Limited* | Subsidiary | - | 0.08 |
| Kalpataru Power Transmission Sweden AB | Subsidiary | - | 141.32 |
| JMC Mining & Quarries Limited | Subsidiary | - | 0.04 |
| Brij Bhoomi Expressway Private Limited | Subsidiary | 2.35 | 7.43 |
| Wainganga Expressway Private Limited | Subsidiary | 47.48 | 31.34 |
| Vindhyachal Expressway Private Limited | Subsidiary | 34.35 | 32.48 |
| Kurukshetra Expressway Private Limited* | Joint Venture | 1.78 | 2.81 |
| Kalpataru Power Senegal SARL | Subsidiary | - | 2.40 |

*Impairment on Loan during the year ₹ 1.78 Crores (previous year ₹ 2.89 Crores)

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 40. RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS 24 ARE GIVEN BELOW (CONTD..):

(₹ in Crores)

| Particulars | Relationship | 2023-24 | 2022-23 |
|---|---|---|---|
| **3 Loans and advances returned** | | | |
| Kalpataru Power Do Brasil Participações Ltda | Subsidiary | 1.18 | - |
| Kalpataru Power Transmission Sweden AB | Subsidiary | 1.58 | 63.09 |
| Saicharan Properties Limited | Indirect Subsidiary | 55.15 | 66.75 |
| Kalpataru Power Senegal SARL | Subsidiary | - | 2.40 |
| **4 Revenue from Operations** | | | |
| Brij Bhoomi Expressway Private Limited | Subsidiary | 24.18 | - |
| Linjemontage i Grästorp Aktiebolag | Indirect Subsidiary | 3.52 | 10.51 |
| Agile Real Estate Private Limited | Enterprises having significant influence | 109.73 | 82.52 |
| Abacus Real Estate Private Limited | Enterprises having significant influence | 31.38 | 14.25 |
| Kalpataru Urbanscape LLP | Enterprises having significant influence | 23.63 | 37.94 |
| **5 Other Income** | | | |
| Amber Real Estate Limited | Subsidiary | - | 1.88 |
| Shree Shubham Logistics Limited | Subsidiary | 10.89 | 9.26 |
| Kalpataru Limited | Enterprises having significant influence | 0.08 | 0.08 |
| Saicharan Properties Limited | Indirect Subsidiary | 9.54 | 11.14 |
| Kalpataru Power Do Brasil Participações Ltda | Subsidiary | 4.48 | 1.41 |
| Kalpataru Power Transmission Sweden AB | Subsidiary | 15.37 | 56.25 |
| LLC Kalpataru Power Transmission, Ukraine | Subsidiary | 0.02 | 0.02 |
| Kalpataru IBN Omairah Company Limited | Subsidiary | 5.00 | 4.38 |
| Vindhyachal Expressway Private Limited | Subsidiary | 0.60 | - |
| Kalpataru Power Chile SpA | Subsidiary | 11.76 | 2.89 |
| Kalpataru Power Senegal SARL | Subsidiary | 0.03 | 0.08 |
| Fasttel Engenharia S.A. | Indirect Subsidiary | 0.15 | - |
| **6 Reimbursement of Expenses (Receivable)** | | | |
| Kalpataru IBN Omairah Company Limited | Subsidiary | 6.29 | 1.77 |
| Shree Shubham Logistics Limited | Subsidiary | 0.01 | 0.02 |
| Kalpataru Power Chile SpA | Subsidiary | 6.80 | 1.70 |
| Vindhyachal Expressway Private Limited | Subsidiary | 0.05 | - |
| Kalpataru Power Do Brasil Participações Ltda | Subsidiary | 0.90 | 0.13 |
| Fasttel Engenharia S.A. | Indirect Subsidiary | 0.17 | 0.79 |
| Kalpataru Power Senegal SARL | Subsidiary | 0.14 | - |
| Energy Link (India) Limited | Subsidiary | - | 0.02 |
| **7 Rent Expenses** | | | |
| Kalpataru Metfab Private Limited | Subsidiary | 0.16 | 0.09 |
| Kalpataru Limited | Enterprises having significant influence | 18.33 | 17.84 |
| K C Holdings Private Limited | Enterprises having significant influence | 0.04 | 0.05 |
| Dynacraft Machine Company Limited | Enterprises having significant influence | 0.61 | 0.56 |
| JMC Mining & Quarries Limited | Subsidiary | 0.01 | - |
| **8 Other Expenses / Service Charges** | | | |
| Kalpataru Power Transmission USA Inc. | Subsidiary | 0.40 | 5.59 |
| Property Solutions (India) Private Limited | Enterprises having significant influence | 4.21 | 3.12 |
| Gurukrupa Developers | Enterprises having significant influence | - | 0.18 |
| Kalpataru Business Solutions Private Limited | Enterprises having significant influence | 10.00 | 0.25 |
| **9 Equipment Hire Charges** | | | |
| Energy Link (India) Limited | Subsidiary | - | 0.24 |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 40. RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS 24 ARE GIVEN BELOW (CONTD..):

(₹ in Crores)

| Particulars | Relationship | 2023-24 | 2022-23 |
|---|---|---|---|
| **10 Reimbursement of Expenses (Payable)** | | | |
| Kalpataru Limited | Enterprises having significant influence | 0.65 | 0.71 |
| Kalpataru Metfab Private Limited | Subsidiary | 0.01 | 0.01 |
| Agile Real Estate Private Limited | Enterprises having significant influence | 0.72 | 0.64 |
| Abacus Real Estate Private Limited | Enterprises having significant influence | 0.01 | - |
| **11 Sale of Property, Plant and Equipments** | | | |
| Kalpataru IBN Omairah Company Limited | Subsidiary | 1.59 | 0.84 |
| Fasttel Engenharia S.A. | Indirect Subsidiary | - | 0.54 |
| Kalpataru Power Senegal SARL | Subsidiary | 0.88 | - |
| Kalpataru Metfab Private Limited | Subsidiary | - | 2.08 |
| JMC Mining & Quarries Ltd. | Subsidiary | - | 2.25 |
| **12 Purchase of Property, Plant and Equipments** | | | |
| Gurukrupa Developers | Enterprises having significant influence | - | 2.19 |
| Kalpataru Power Senegal SARL | Subsidiary | 0.13 | - |
| Argos Arkaya Power Solutions LLP | Enterprises having significant influence | 0.53 | - |
| **13 Corporate Social Responsibility** | | | |
| Kalpataru Foundation | Enterprises having significant influence | 6.07 | 7.61 |
| **14 Salary & Commission *** | | | |
| Mr. Mofatraj P. Munot | Promoter Director & Non-Executive Chairman | 1.50 | 1.50 |
| Mr. Manish Mohnot | Key Management Personnel | 19.07 | 12.42 |
| Mr. Parag Munot | Promoter Director | 2.25 | 2.40 |
| * Break up of compensations to key management personnel | | | - |
| Short term employment benefits | | 19.07 | 4.35 |
| Post Employment benefits | | 0.01 | 0.01 |
| **15 Sitting fees** | | | |
| Mr. Mofatraj P. Munot | Promoter Director & Non-Executive Chairman | 0.10 | 0.12 |
| Mr. Parag Munot | Promoter Director | 0.06 | 0.08 |
| **16 Dividend Paid** | | | |
| Kalpataru Construction Private Limited | Enterprises having significant influence | 15.65 | 15.18 |
| Kalpataru Holdings Private Limited | Enterprises having significant influence | 0.23 | 0.22 |
| Kalpataru Viniyog LLP | Enterprises having significant influence | 0.01 | 0.86 |
| K C Holdings Private Limited | Enterprises having significant influence | 14.54 | 13.74 |
| Mr. Mofatraj P. Munot | Promoter Director & Non-Executive Chairman | 11.44 | 10.62 |
| Mr. Parag Munot | Promoter Director | 0.45 | 5.18 |
| Ms. Sudha Golechha | Relative of Promoter Director | 0.61 | 0.57 |
| Ms. Sunita Choraria | Relative of Promoter Director | 0.61 | 0.57 |
| **17 Advances given / (Adjusted) (net)** | | | |
| Kalpataru Power Senegal SARL | Subsidiary | (8.56) | 8.56 |
| Gurukrupa Developers | Enterprises having significant influence | - | (0.20) |
| **18 Advance from Customers received/ (Adjusted) (net)** | | | |
| Linjemontage i Grästorp Aktiebolag | Indirect Subsidiary | 26.88 | (3.19) |
| Agile Real Estate Private Limited | Enterprises having significant influence | (2.16) | 4.36 |
| Kalpataru Urbanscape LLP | Enterprises having significant influence | - | (3.45) |
| Brij Bhoomi Expressway Private Limited | Subsidiary | (24.18) | - |
| Abacus Real Estate Private Limited | Enterprises having significant influence | (2.34) | 6.67 |
| **19 Security Deposit Paid** | | | |
| Kalpataru Limited | Enterprises having significant influence | - | 4.20 |
| Dynacraft Machine Company Limited | Enterprises having significant influence | 0.08 | - |
| **20 Security Deposit Received back** | | | |
| Kalpataru Limited | Enterprises having significant influence | - | 0.64 |

202410180066S

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 40. RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS 24 ARE GIVEN BELOW (CONTD..):

(₹ in Crores)

| Particulars | Relationship | 2023-24 | 2022-23 |
|---|---|---|---|
| **21 Purchase / (Sales) of Materials** | | | |
| Agile Real Estate Private Limited | Enterprises having significant influence | - | 0.40 |
| Argos Arkaya Power Solutions LLP | Enterprises having significant influence | 0.39 | 7.36 |
| Kalpataru IBN Omairah Company Limited | Subsidiary | - | (0.03) |
| Fasttel Engenharia S.A. | Indirect Subsidiary | - | (0.02) |
| Kalpataru Power Senegal SARL | Subsidiary | - | (0.34) |
| **22 Job work Charges** | | | |
| Kalpataru Power Senegal SARL | Subsidiary | 65.63 | - |

### Balance with Related Parties

(₹ in Crores)

| Particulars | Relationship | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|---|
| **1 Loans Given** | | | |
| Shree Shubham Logistics Limited | Subsidiary | 151.52 | 125.58 |
| Adeshwar Infrabuild Limited* | Subsidiary | 0.25 | 0.25 |
| Kalpataru Power Transmission (Mauritius) Limited* | Subsidiary | 5.16 | 5.16 |
| Kalpataru Power Transmission Sweden AB | Subsidiary | 203.93 | 204.20 |
| Saicharan Properties Limited | Indirect Subsidiary | 95.86 | 142.43 |
| Kalpataru Power Do Brasil Participações Ltda | Subsidiary | 68.90 | 26.36 |
| Kalpataru Power Chile SpA | Subsidiary | 151.46 | 42.47 |
| JMC Mining & Quarries Ltd. | Subsidiary | 0.75 | 0.75 |
| Brij Bhoomi Expressway Private Limited | Subsidiary | 63.13 | 60.78 |
| Wainganga Expressway Private Limited | Subsidiary | 267.71 | 220.24 |
| Vindhyachal Expressway Private Limited | Subsidiary | 354.17 | 319.82 |
| Kurukshetra Expressway Private Limited* | Joint Venture | 303.46 | 301.68 |
| *Impairment on Loans ₹ 308.87 Crores (previous year ₹ 306.84 Crores) | | | |
| **2 Trade and Other Receivable** | | | |
| Kalpataru IBN Omairah Company Limited | Subsidiary | 26.18 | 13.71 |
| Shree Shubham Logistics Limited | Subsidiary | 1.45 | 0.47 |
| Kalpataru Power Transmission Sweden AB | Subsidiary | 9.08 | 0.14 |
| Kalpataru Power Senegal SARL | Subsidiary | 1.39 | 32.00 |
| Kalpataru Power Do Brasil Participações Ltda | Subsidiary | 5.12 | 0.79 |
| Kalpataru Power Chile SpA | Subsidiary | 16.89 | 3.22 |
| Energy Link (India) Limited | Subsidiary | - | 0.02 |
| Wainganga Expressway Private Limited | Subsidiary | 3.14 | 3.14 |
| Vindhyachal Expressway Private Limited | Subsidiary | 0.77 | - |
| Fasttel Engenharia S.A. | Indirect Subsidiary | 2.02 | 1.68 |
| Abacus Real Estate Private Limited | Enterprises having significant influence | 18.74 | 9.39 |
| Kiyana Ventures LLP | Enterprises having significant influence | 19.38 | 19.40 |
| Agile Real Estate Private Limited | Enterprises having significant influence | 110.52 | 40.38 |
| Kalpataru Urbanscape LLP | Enterprises having significant influence | 79.45 | 64.43 |
| Kalpataru Limited | Enterprises having significant influence | 0.04 | 0.02 |
| **3 Advances given** | | | |
| LLC Kalpataru Power Transmission, Ukraine | Subsidiary | 2.71 | 2.34 |
| Kalpataru Power Senegal SARL | Subsidiary | - | 8.56 |
| Gurukrupa Developers | Enterprises having significant influence | 0.67 | 0.67 |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 40. RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS 24 ARE GIVEN BELOW (CONTD..):

(₹ in Crores)

| Particulars | Relationship | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|---|
| Kalpataru Properties Private Limited | Enterprises having significant influence | 32.31 | 32.31 |
| **4 Security Deposit Given** | | | |
| Kalpataru Limited | Enterprises having significant influence | 97.76 | 97.76 |
| Dynacraft Machine Company Limited | Enterprises having significant influence | 0.64 | 0.56 |
| **5 Advances From Customers** | | | |
| Linjemontage i Grästorp Aktiebolag | Indirect Subsidiary | 27.49 | 0.61 |
| Brij Bhoomi Expressway Private Limited | Subsidiary | 12.26 | 36.44 |
| Kiyana Ventures LLP | Enterprises having significant influence | 0.71 | 0.71 |
| Abacus Real Estate Private Limited | Enterprises having significant influence | 4.33 | 6.67 |
| Agile Real Estate Private Limited | Enterprises having significant influence | 4.58 | 6.74 |
| **6 Trade and Other Payable** | | | |
| Kalpataru Power Transmission USA Inc. | Subsidiary | 3.57 | 4.98 |
| Kalpataru Power Senegal SARL | Subsidiary | 9.03 | - |
| Kalpataru Metfab Private Limited | Subsidiary | 0.01 | 0.01 |
| JMC Mining & Quarries Ltd. | Subsidiary | 0.01 | - |
| Kalpataru Retail Ventures Private Limited* | Enterprises having significant influence | - | 0.05 |
| Property Solutions (India) Private Limited | Enterprises having significant influence | 1.28 | 0.42 |
| Kalpataru Limited | Enterprises having significant influence | 1.34 | 0.74 |
| Argos Arkaya Power Solutions LLP | Enterprises having significant influence | 0.12 | 0.85 |
| Kiyana Ventures LLP | Enterprises having significant influence | - | 0.02 |
| Kalpataru Business Solutions Private Limited | Enterprises having significant influence | 2.70 | 0.25 |
| K C Holdings Private Limited | Enterprises having significant influence | 0.01 | - |
| Mr. Manish Mohnot | Key Management Personnel | 14.21 | 8.24 |
| Mr. Mofatraj P. Munot | Promoter Director & Non-executive Chairman | 1.50 | 1.50 |
| Mr. Parag Munot | Promoter Director | 2.25 | 2.40 |
| **7 Guarantee/ Letter of Comforts Outstanding/Deed of indemnity** | | | |
| Shree Shubham Logistics Limited | Subsidiary | 189.00 | 197.25 |
| Kalpataru IBN Omairah Company Limited | Subsidiary | 525.24 | 363.53 |
| Fasttel Engenharia S.A. | Indirect Subsidiary | 185.07 | 163.21 |
| Linjemontage i Grästorp Aktiebolag | Indirect Subsidiary | 139.63 | 141.34 |
| Kalpataru Power Senegal SARL | Subsidiary | 1.67 | 1.64 |
| Kalpataru Power Chile SpA | Subsidiary | 330.40 | 325.82 |
| Wainganga Expressway Private Limited | Subsidiary | 12.00 | 12.00 |
| Brij Bhoomi Expressway Private Limited | Subsidiary | - | 37.66 |
| Vindhyachal Expressway Private Limited | Subsidiary | 24.79 | - |
| Kalpataru Foundation | Enterprises having significant influence | 0.01 | 0.01 |

Notes :Transactions with the related parties are at Arm's length prices. The amount outstanding are unsecured and will be settled in cash. Guarantee given on behalf of subsidiaries are disclosed in Note 30. No expenses has been recognised in the current year or previous year for bad or doubtful debts in respect of the amount owed by related parties.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 41. RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Profit before tax | 738.79 | 738.68 |
| Income tax calculated at 25.17% (Previous Year 25.17%) | 185.95 | 185.93 |
| Differential tax of overseas operation | 10.56 | 15.04 |
| Tax effect of adjustment to reconcile reported income tax expenses | | |
| Income exempt from taxation | | (13.06) |
| Tax Impact of Permanent allowances / disallowances / Others | 9.28 | 8.68 |
| Deferred tax not recognised on Impairment Loss | - | 13.82 |
| Difference of Tax at special rate | - | (3.68) |
| **Income tax expenses recognised in the statement of profit and loss** | **205.79** | **206.73** |

## 42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### Capital Management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

(₹ in Crores)

| Gearing ratio | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Debt* | 3,270.10 | 2,939.34 |
| Cash and cash equivalents | (827.25) | (759.06) |
| **Net debt** | **2,442.85** | **2,180.28** |
| **Total Equity** | **5,750.04** | **5,319.73** |
| **Net debt to equity ratio** | 0.42 | 0.41 |

* Debt is defined as aggregate of Non-Current borrowings, Current borrowings and current maturities of long term debt.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..):

### Financial Instrument by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. The Company consider that the carrying values of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **Financial assets** | | |
| **Measured at Fair Value through Profit and Loss** | | |
| Investments - (Level-I) | - | 1.46 |
| Investments under held for sale- (Level-II)* | 253.57 | 233.95 |
| Derivative Contracts- (Level-II)* | - | 15.04 |
| **Measured at Amortised Cost** | | |
| Investments | 20.07 | 18.97 |
| **Measured At Cost** | | |
| Investments | 866.71 | 881.20 |
| **Measured at Amortised Cost** | | |
| (i) Trade receivables | 5,524.37 | 5,124.34 |
| (ii) Loans | 1,088.49 | 860.81 |
| (iii) Cash and cash equivalents | 827.25 | 759.06 |
| (iv) Other balances with Bank | 21.54 | 98.99 |
| (v) Others | 645.36 | 542.52 |
| **Financial liabilities** | | |
| **Measured at Fair Value through Profit and Loss** | | |
| Derivative Contracts- (Level-II)* | 22.98 | - |
| **Measured at Amortised Cost** | | |
| (i) Borrowings | 3,263.49 | 2,934.64 |
| (ii) Trade payables | 5,351.57 | 4,743.87 |
| (iii) Other financial liabilities | 848.08 | 611.57 |

*Fair value measured at discounted cashflows

### Financial Risk Management

#### Financial Risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

#### Market Risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The company holds derivative financial instruments such as foreign exchange forward and commodity contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/depreciates against these currencies.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..):

**The following table analyses foreign currency risk from financial instruments as of 31st March, 2024**

(₹ in Crores)

| Particulars | USD | Euro | Others | Total |
|---|---|---|---|---|
| Loan | 225.51 | 200.80 | 3.13 | 429.44 |
| Cash & Cash Equivalents | 0.76 | - | 1.61 | 2.37 |
| Trade Receivable | 1,938.83 | - | 551.55 | 2,490.38 |
| Other Financials Assets | - | 8.95 | 35.49 | 44.44 |
| **Total Asset** | **2,165.10** | **209.75** | **591.78** | **2,966.63** |
| Borrowing | 280.18 | - | 13.02 | 293.20 |
| Trade Payable | 1,185.15 | 48.39 | 487.76 | 1,721.30 |
| Other Financials Liabilities | 23.24 | 1.62 | 26.64 | 51.51 |
| **Total Liabilities** | **1,488.57** | **50.01** | **527.42** | **2,066.01** |
| **Net Assets / (Liabilities)** | **676.53** | **159.74** | **64.36** | **900.62** |

**The following table analyses foreign currency risk from financial instruments as of 31st March, 2023**

(₹ in Crores)

| Particulars | USD | Euro | Others | Total |
|---|---|---|---|---|
| Loan | 73.91 | 201.03 | 3.17 | 278.11 |
| Cash & Cash Equivalents | - | - | 5.14 | 5.14 |
| Trade Receivables | 1,649.05 | - | 651.50 | 2,300.55 |
| Other Financials Assets | - | - | 3.92 | 3.92 |
| **Total Asset** | **1,722.96** | **201.03** | **663.73** | **2,587.72** |
| Borrowing | 172.66 | - | - | 172.66 |
| Trade Payables | 911.39 | 17.00 | 645.73 | 1,574.12 |
| Other Financials Liabilities | 9.84 | 0.26 | 12.63 | 22.73 |
| **Total Liabilities** | **1,093.89** | **17.26** | **658.36** | **1,769.51** |
| **Net Assets / (Liabilities)** | **629.07** | **183.77** | **5.37** | **818.21** |

**Note :** The company is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of unhedged USD and Euro is given below:

### Sensitivity Analysis

For the year ended 31st March, 2024 and 31st March, 2023, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/EURO would impact company's profit before tax by approximately 2.77% and 1.03% respectively.

Sensitivity rate of 5% is used while reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rate.

### Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts and commodity future contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in price of commodities. The counter party for these contracts is generally multinational banks, financial institution or exchange. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Mark to Market gain or loss on derivative instruments is part of other current financial assets or liabilities.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..):

**As at 31st March, 2024**

| Outstanding Contracts | Average Exchange Rate (In equivalent ₹) | Amount in Foreign currency (In Crores) | Nominal Amount (₹ in Crores) | MTM Value (₹ in Crores) |
|---|---|---|---|---|
| **Cash Flow Hedges (Routed through OCI)** | | | | |
| **Sell USD Buy INR** | | | | |
| Maturing less than 3 months | 83.71 | USD 2.78 | 232.85 | 0.47 |
| Maturing in 3 months to 6 months | 84.77 | USD 1.81 | 153.31 | 1.60 |
| Maturing in 6 months to 9 months | 84.32 | USD 3.75 | 315.77 | 0.23 |
| Maturing in 9 months to 12 months | 85.57 | USD 3.47 | 296.78 | 3.14 |
| Maturing more than 12 months | 91.32 | USD 4.92 | 448.88 | 15.97 |
| **Total/Average** | **86.58** | **USD 16.72** | **1,447.60** | **21.41** |
| **Sell INR Buy USD** | | | | |
| Maturing in 6 months to 9 months | 84.08 | USD 1.00 | 84.08 | 0.13 |
| **Total/Average** | **84.08** | **USD 1.00** | **84.08** | **0.13** |
| **Buy EUR Sell USD** | | | | |
| Maturing less than 3 months | 90.78 | EUR 0.55 | 49.57 | (0.29) |
| Maturing in 3 months to 6 months | 91.03 | EUR 0.33 | 29.90 | (0.19) |
| **Total/Average** | **90.87** | **EUR 0.87** | **79.47** | **(0.48)** |
| **Other Hedges (Routed through Profit & Loss)** | | | | |
| **Sell USD Buy INR** | | | | |
| Maturing less than 3 months | 83.13 | USD 2.14 | 178.09 | (0.84) |
| Maturing in 3 months to 6 months | 84.49 | USD 1.04 | 87.52 | 0.65 |
| Maturing in 6 months to 9 months | 84.58 | USD 0.34 | 28.76 | 0.09 |
| Maturing in 9 months to 12 months | 86.25 | USD 1.71 | 147.80 | 2.62 |
| More than 12 Months | 86.90 | USD 0.68 | 59.47 | 1.36 |
| **Total/Average** | **84.79** | **USD 5.92** | **501.64** | **3.88** |
| **Sell USD Buy EUR** | | | | |
| Maturing less than 3 months | 90.28 | EUR 0.30 | 27.20 | (0.12) |
| Maturing in 3 months to 6 months | 91.04 | EUR 0.04 | 3.34 | (0.02) |
| **Total/Average** | **90.37** | **EUR 0.34** | **30.54** | **(0.14)** |
| **Sell USD Buy CLP** | | | | |
| Maturing in 3 months to 6 months | 0.09 | CLP 1,387.25 | 129.28 | (11.59) |
| Maturing in 9 months to 12 months | 0.09 | CLP 267.80 | 25.02 | (2.29) |
| More than 12 Months | 0.09 | CLP 2,139.33 | 196.00 | (14.65) |
| **Total/Average** | **0.09** | **CLP 3,794.38** | **350.30** | **(28.53)** |
| **Buy USD Sell INR** | | | | |
| Maturing less than 3 months | 83.23 | USD 0.37 | 30.84 | 0.08 |
| Maturing in 3 months to 6 months | 83.65 | USD 1.92 | 160.35 | 0.41 |
| **Total/Average** | **83.59** | **USD 2.29** | **191.19** | **0.49** |
| **Sell EURO Buy INR** | | | | |
| Maturing less than 3 months | 92.19 | EUR 0.94 | 86.42 | 2.00 |
| **Total/Average** | **92.19** | **EUR 0.94** | **86.42** | **2.00** |
| **Sell BRL Buy USD** | | | | |
| Maturing less than 3 months | 16.41 | BRL 0.48 | 7.82 | (0.04) |
| Maturing in 3 months to 6 months | 16.23 | BRL 0.48 | 7.82 | (0.06) |
| Maturing in 6 months to 9 months | 16.06 | BRL 0.49 | 7.82 | (0.08) |
| Maturing in 9 months to 12 months | 15.90 | BRL 0.49 | 7.82 | (0.10) |
| **Total/Average** | **16.15** | **BRL 1.94** | **31.28** | **(0.28)** |

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..):

**As at 31st March, 2023**

| Outstanding Contracts | Average Exchange Rate (In equivalent ₹) | Amount in Foreign currency (In Crores) | Nominal Amount In (₹ in Crores) | MTM Value (₹ in Crores) |
|---|---|---|---|---|
| **Cash Flow Hedges (Routed through OCI)** | | | | |
| **Sell USD Buy INR** | | | | |
| Maturing less than 3 months | 81.46 | USD 2.78 | 226.53 | (2.92) |
| Maturing in 3 months to 6 months | 81.64 | USD 2.36 | 192.94 | (3.20) |
| Maturing in 6 months to 9 months | 82.14 | USD 2.70 | 222.11 | (3.56) |
| Maturing in 9 months to 12 months | 82.91 | USD 3.12 | 258.59 | (3.33) |
| Maturing more than 12 months | 87.82 | USD 11.32 | 994.04 | (2.76) |
| **Total/Average** | **85.00** | **USD 22.29** | **1,894.22** | **(15.77)** |
| **Buy INR Sell USD** | | | | |
| Maturing less than 3 months | 82.27 | USD 0.31 | 25.48 | 0.03 |
| **Total/Average** | **82.27** | **USD 0.31** | **25.48** | **0.03** |
| **Buy EUR Sell USD** | | | | |
| Maturing less than 3 months | 89.43 | EUR 1.45 | 129.63 | 0.48 |
| **Total/Average** | **89.43** | **EUR 1.45** | **129.63** | **0.48** |
| **Other Hedges (Routed through Profit & Loss)** | | | | |
| **Sell USD Buy INR** | | | | |
| Maturing less than 3 months | 81.46 | USD 2.36 | 192.38 | (2.31) |
| Maturing in 3 months to 6 months | 80.76 | USD 2.71 | 219.22 | (5.93) |
| Maturing in 6 months to 9 months | 80.72 | USD 0.75 | 60.54 | (2.07) |
| Maturing in 9 months to 12 months | 81.76 | USD 1.40 | 114.47 | (3.15) |
| More than 12 Months | 84.97 | USD 2.11 | 179.56 | (1.23) |
| **Total/Average** | **82.04** | **USD 9.34** | **766.18** | **(14.68)** |
| **Sell EUR Buy USD** | | | | |
| Maturing less than 3 months | 81.83 | USD 0.07 | 5.72 | 0.00 |
| **Total/Average** | **81.83** | **USD 0.07** | **5.72** | **0.00** |
| **Buy USD Sell INR** | | | | |
| Maturing less than 3 months | 83.42 | USD 2.36 | 196.96 | (1.01) |
| **Total/Average** | **83.42** | **USD 2.36** | **196.96** | **(1.01)** |
| **Sell EURO Buy INR** | | | | |
| More than 12 Months | 92.19 | EUR 0.94 | 86.42 | (1.09) |
| **Total/Average** | **92.19** | **EUR 0.94** | **86.42** | **(1.09)** |

### Reconciliation of Hedge Reserve

The following table provides the reconciliation of cash flow hedge reserve for the year ended 31st March, 2024 and 31st March, 2023:

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Balance at the beginning of the year | (12.01) | 46.07 |
| Gain/(Loss) recognised in OCI during the year (net) | 11.37 | (58.08) |
| Tax impact on above | (0.33) | (3.19) |
| Balance at the end of the year (Gross) | (0.64) | (12.01) |
| Balance at the end of the year (Net of Tax) | (0.31) | (8.82) |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..):

### Loan and Borrowings: Financial Covenants

The company is required to comply with the few financial covenants as per terms of respective sanctions. In case of breach of financial covenants, there can be adverse impact.

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers , investment securities and other receivables . Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

During the financial year 21-22, Kurukshetra Expressway Private Limited ("KEPL" or "Concessionaire"), a Joint venture (49.57%) of the Company, issued a notice of termination of Concession Agreement ("CA") vide letter dated October 7, 2021 to the National Highway Authority of India ("NHAI") on account of continuous disruption and blockade of traffic on National Highway-71 due to farmer agitation with stoppage of toll collection. The provisions of Concession Agreement provides for termination where events which are not in control of KEPL, and obliges NHAI paying KEPL for repayment of Debt Due along with Adjusted Equity after necessary adjustments. The Company made provision for impairment of ₹98.27 Crores against equity investment in KEPL, Expected credit loss of ₹ 311.21 Crores against loans given to KEPL / others and ₹39.77 Crores towards potential loss due to shortfall undertaking.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. Credit risk in respect of other receivables mainly comprises of loan to components which are managed by the Company, by way of assessing financial condition, current economic trends and ageing of other receivables . The Company considers the probability of default and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on financial assets as on the reporting date.

The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in Crores)

| Particulars | Undisputed Trade receivable considered good as on | | Disputed Trade receivable considered good as on | |
|---|---|---|---|---|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Not Due | 3,002.59 | 3,076.81 | 44.61 | 16.55 |
| Less than 6 months | 1,571.93 | 1,377.78 | 3.55 | 0.20 |
| 6 months to 1 year | 310.63 | 187.37 | - | 5.02 |
| From 1 year to 2 years | 287.55 | 206.29 | 1.78 | 20.23 |
| From 2 year to 3 years | 106.62 | 118.14 | 34.49 | 22.44 |
| Above 3 years | 190.41 | 78.51 | 147.06 | 151.11 |
| **TOTAL** | **5,469.73** | **5,044.90** | **231.50** | **215.55** |

Trade receivable does not contain any trade receivable which has significant increase on credit risk and are impaired.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..):

### Expected credit loss assessment for customers

There has been no credit loss on account of customer's inability to pay i.e. there has been no material bad debts in past and therefore, no provision is generally made on this account. Provision for expected delay in realisation of trade receivables beyond contractual terms. The company has used a practical expedient by computing the expected credit loss allowance for trade receivables on a provision matrix. The expected credit loss on the ageing of the days the receivables are due and the rates as given in the provision matrix.

On the above basis, the company estimates the following provision matrix at the reporting date:

| Particulars | Expected Credit Loss % | |
|---|---|---|
| | As at 31st March, 2024 | As at 31st March, 2023 |
| Upto 180 days | 0.00% | 0.00% |
| From 181 days to 1 year | 2.13% | 2.13% |
| Above 1 year | 8.50% to 25.50% | 8.50% to 25.50% |

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in Crores)

| Particulars | 2023-24 | |
|---|---|---|
| | Trade receivable | Contract Assets |
| **Balance as at 31st March, 2023** | 136.11 | 17.05 |
| Impairment loss/(income) recognised (net) | 40.75 | 34.29 |
| **Balance as at 31st March, 2024** | **176.86** | **51.34** |

(₹ in Crores)

| Particulars | 2022-23 | |
|---|---|---|
| | Trade receivable | Contract Assets |
| **Balance as at March 31, 2022** | 159.59 | 26.70 |
| Impairment loss/(income) recognised (net) | (23.48) | (9.65) |
| **Balance as at 31st March, 2023** | **136.11** | **17.05** |

### Security Deposits given to Lessors

The Company has given security deposit to lessors for premises leased by the Company as at 31 March, 2024 and 31 March, 2023. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

### Cash and Cash Equivalents

The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

In addition, company is also exposed to credit risk in relation to corporate guarantee/letter of comfort (LOC) given to banks by the company. The company's exposure in this respect has been disclosed in Note 30.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..):

### Liquidity Risk

**The Table below provides details regarding the contractual maturities of significant financial liabilities.**

(₹ in Crores)

| Particulars | As at 31st March, 2024 | | |
|---|---|---|---|
| | Less than 1 year | More than 1 year | Total |
| **Financial Liabilities** | | | |
| (i) Trade Payable | 5,235.97 | 115.60 | 5,351.57 |
| (ii) Borrowings | 2,122.32 | 1,147.78 | 3,270.10 |
| (iii) Other financial liabilities | 842.50 | 28.56 | 871.06 |
| **TOTAL** | | | **9,492.73** |

(₹ in Crores)

| Particulars | As at 31st March, 2023 | | |
|---|---|---|---|
| | Less than 1 year | More than 1 year | Total |
| **Financial Liabilities** | | | |
| (i) Trade Payable | 4,582.47 | 161.40 | 4,743.87 |
| (ii) Borrowings | 2,011.21 | 928.13 | 2,939.34 |
| (iii) Other financial liabilities | 571.68 | 39.89 | 611.57 |
| **TOTAL** | | | **8,294.78** |

The above table does not include liability on account of future interest obligation.

The company had undrawn borrowing facilities from banks amounting to ₹ 894.98 Crores (Previous year ₹ 692.87 Crores), which may be drawn at any time.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

### Interest Rate Sensitivity Analysis

For the year ended 31st March, 2024 and 31st March, 2023, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact company's profit before tax by approximately 1.56% and 2.9 % respectively.

### Commodity Price Risk

The Company is affected by the price volatility of certain commodities like Steel, Zinc, Copper and Aluminium. Its operating activities require the on-going purchase or continuous supply of these materials. The Company holds derivative financial instruments such as commodity future contract to mitigate the risk of changes in Zinc, Copper and Aluminium prices.

The sensitivity analysis have been determined based on the exposure to changes in commodity prices. The analysis is prepared assuming the quantity of exposure outstanding at the end of the reporting period was outstanding for the whole year. A 5% increase or decrease is used when reporting commodity price risk internally to key management personnel and represents management's assessment of the reasonable possible changes in commodity prices and the impact of the possible change on the company's profit before tax is 9.23% for FY 2023-24 and 11.84% for FY 2022-23.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 42. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..):

(₹ in Crores)

| Commodity | Fixed/variable | Open Exposure | Value at Risk on price variation of 5 % | |
|---|---|---|---|---|
| | | | Increase | Decrease |
| **Exposure as on 31st March, 2024** | | | | |
| Aluminium | Fixed Price Contracts | 113.70 | 5.68 | (5.68) |
| Zinc | Fixed Price Contracts | 71.94 | 3.60 | (3.60) |
| Steel | Fixed Price Contracts | 1,135.39 | 56.77 | (56.77) |
| Copper | Fixed Price Contracts | 42.45 | 2.12 | (2.12) |
| **TOTAL** | | **1,363.48** | **68.17** | **(68.17)** |

(₹ in Crores)

| Commodity | Fixed/variable | Open Exposure | Value at Risk on price variation of 5 % | |
|---|---|---|---|---|
| | | | Increase | Decrease |
| **Exposure as on 31st March, 2023** | | | | |
| Aluminium | Fixed Price Contracts | 408.30 | 20.42 | (20.42) |
| Zinc | Fixed Price Contracts | 75.43 | 3.77 | (3.77) |
| Steel | Fixed Price Contracts | 1,156.11 | 57.81 | (57.81) |
| Copper | Fixed Price Contracts | 109.67 | 5.48 | (5.48) |
| **TOTAL** | | **1,749.51** | **87.48** | **(87.48)** |

**43.** The details of the due amount which are expected by Company to be recovered or settled after twelve months in respect of assets and liabilities in relating to long term contracts which are classified as under:

(₹ in Crores)

| Particulars | Note | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|---|
| Trade Receivable | 7 | 219.17 | 115.45 |

## 44. TRADE PAYABLES AGEING SCHEDULE

(₹ in Crores)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **FY 2023-24** | | | | | | |
| (i) MSME | 159.69 | 54.87 | 5.41 | 2.00 | 0.47 | 222.44 |
| (ii) Others | 1,403.46 | 998.61 | 50.31 | 19.07 | 27.31 | 2,498.76 |
| (iii) Disputed dues - MSME | - | 0.01 | - | - | - | 0.01 |
| (iv) Disputed dues - Others | 10.91 | 0.63 | 0.57 | 0.27 | 0.91 | 13.29 |
| (v) Unbilled | 2,617.07 | - | - | - | - | 2,617.07 |
| **TOTAL** | **4,191.13** | **1,054.12** | **56.29** | **21.34** | **28.69** | **5,351.57** |
| **FY 2022-23** | | | | | | |
| (i) MSME | 63.90 | 83.28 | 2.16 | 0.11 | 0.29 | 149.74 |
| (ii) Others | 1,009.37 | 1,592.88 | 40.42 | 33.39 | 7.12 | 2,683.18 |
| (iii) Disputed dues - MSME | 0.01 | 0.32 | 0.84 | - | - | 1.16 |
| (iv) Disputed dues - Others | 9.44 | 1.98 | 0.49 | 0.46 | 0.28 | 12.65 |
| (v) Unbilled | 1,897.14 | - | - | - | - | 1,897.14 |
| **TOTAL** | **2,979.85** | **1,678.46** | **43.91** | **33.96** | **7.69** | **4,743.87** |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 45. LOANS OR ADVANCES TO SPECIFIED PERSONS

(₹ in Crores)

| Type of Borrower | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| Subsidiaries - Interest free and repayable on demand (Net) | - | 0.00% | - | 0.00% |

## 46. CAPITAL WORK IN PROGRESS AGEING SCHEDULE

(₹ in Crores)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **FY 2023-24** | | | | | |
| Projects in progress | 31.86 | 0.17 | - | - | 32.03 |
| Projects temporarily suspended | - | - | - | - | - |
| **FY 2022-23** | | | | | |
| Projects in progress | 42.41 | 5.95 | - | - | 48.36 |
| Projects temporarily suspended | - | - | - | - | - |

Capex expenditure of the Company is within the overall capex budget and are expected to be completed within the given timelines.

Capital Work in Progress whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in Crores)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **FY 2022-23** | | | | | |
| Fire Hydrant System | 1.60 | - | - | - | 1.60 |
| Rooftop Solar PV | 4.35 | - | - | - | 4.35 |

## 47. RATIOS

| Particulars | | 2023-24 | 2022-23 |
|---|---|---|---|
| Current ratio | Times | 1.27 | 1.27 |
| Debt-Equity Ratio | Times | 0.57 | 0.55 |
| Debt Service Coverage Ratio | Times | 1.48 | 1.45 |
| Return on Equity Ratio (Annualised) | Percent | 9.6% | 10.4% |
| Inventory turnover ratio (Annualised) | Days | 58.83 | 56.57 |
| Trade Receivables turnover ratio (Annualised) | Days | 115.96 | 120.27 |
| Trade payables turnover ratio (Annualised) | Days | 129.75 | 132.76 |
| Net capital turnover ratio (Annualised) | Times | 18.98 | 15.74 |
| Net profit ratio | Percent | 3.18% | 3.71% |
| Return on Capital employed (Annualised) | Percent | 12.5% | 13.0% |
| Return on investment (Annualised) | Percent | 0.0% | 5.6% |

There has been increase in Net Capital Turnover Ratio by more than 25% on account of higher profits mainly due to operational growth.

202410180067 4

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 47. RATIOS (CONTD..):

**Formula:**

Current Ratio = Current Assets / Current Liabilities

Debt-Equity Ratio = Total Debt / Shareholder's Equity

Debt Service Coverage Ratio = Earnings available for debt service / Debt Service

Return on Equity Ratio = Net Profit after taxes / Average shareholder's Equity

Inventory turnover ratio = Cost of goods sold / Average Inventory

Trade Receivables turnover ratio = Net Sales / Average Account Receivables

Trade payables turnover ratio = Net Purchases / Average Trade Payable

Net capital turnover ratio = Net Sales / Average Working Capital

Net Profit ratio = Net Profit after Taxes / Net Sales

Return on Capital employed = Earning before interest and taxes / Average Capital Employed

Return on investment = Dividend from Investment / Average Investments

(Investment includes Investment in Listed Equity Instruments measured at FVTPL)

## 48. UTILISATION OF BORROWED FUNDS OR SECURITIES PREMIUM OR OTHER SOURCES OF FUNDS

**a)** During the year, the Company has advanced loans or made investment in one of its subsidiary company namely Kalpataru Power Do Brasil Participações Ltda ('KPBPL') for further grant of loans or acquisition of further equity stake in their respective subsidiaries namely Fasttel Engenharia S.A. ('Fasttel'). Details are as under:

| Name of Entity | Month | Amount in Crores | Details of Entity | |
|---|---|---|---|---|
| | | | Relationship with the Company | Registration Number |
| KPBPL | Oct 23 | 16.61 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | Nov 23 | 8.33 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | Dec 23 | 10.00 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | Dec 23 | 20.98 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | Mar 24 | 8.29 | Subsidiary Company | 40.587.945/0001-76 |
| Fasttel | July 23 | 0.02 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Oct 23 | 6.48 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Nov 23 | 22.25 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Dec 23 | 21.41 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Jan 24 | 2.26 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Feb 24 | 4.68 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Mar 24 | 8.15 | Step down Subsidiary Company | 80.527.104/0001-98 |

**b)** During the previous year, the Company has advanced loans or made investment in two of its subsidiary company namely Kalpataru Power Do Brasil Participações Ltda ('KPBPL') and Kalpataru Power Transmission Sweden AB ("KPT Sweden") for further grant of loans or acquisition of further equity stake in their respective subsidiaries namely Fasttel Engenharia S.A. ('Fasttel') and Linjemontage i Grästorp Aktiebolag ("LMG"). Details are as under:

| Name of Entity | Date | Amount in Crores | Details of Entity | |
|---|---|---|---|---|
| | | | Relationship with the Company | Registration Number |
| KPBPL | May 22 | 23.29 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | May 22 | 23.27 | Subsidiary Company | 40.587.945/0001-76 |
| Fasttel | June 22 | 46.56 | Step down Subsidiary Company | 80.527.104/0001-98 |
| KPT Sweden | July 22 | 94.79 | Subsidiary Company | 559192-7271 |
| LMG | July 22 | 90.95 | Step down Subsidiary Company | 556464-7575 |

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 48. UTILISATION OF BORROWED FUNDS OR SECURITIES PREMIUM OR OTHER SOURCES OF FUNDS (CONTD..):

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act 2013 and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

**c)** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**49.** The company has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

**As at 31st March, 2024**

(₹ in Crores)

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding | Relationship with the Struck off company, if any, to be disclosed |
|---|---|---|---|
| Oriental Engineering Works Private Limited | Trade Payable | 0.13 | NA |
| Advance Valves Private Limited | Trade Payable | 0.30 | NA |
| Pyrotech Electronics Private Limited | Trade Payable | 0.02 | NA |
| Omkarni Infrastructure | Trade Payable | 0.50 | NA |
| Rajdeep Automation Private Limited | Trade Payable | 0.01 | NA |
| Rupc Enterprises Private Limited | Trade Payable | 0.21 | NA |
| Shivasha Realtech India Pvt Ltd | Trade Payable | 0.12 | NA |
| J A Projects Private Limited | Trade Payable | 0.01 | NA |
| Thiruvishnu Sabarisha Construction Private Limited | Trade Payable | 0.04 | NA |
| Utkarsh & Aradhya Builders And Construction Private Limited | Trade Payable | 0.01 | NA |
| N. A. Fabrication And Engineering Work Private Limited | Trade Payable | 0.08 | NA |
| T. K. Construction And Services Private Limited | Trade Payable | 0.01 | NA |

**As at 31st March, 2023**

(₹ in Crores)

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding | Relationship with the Struck off company, if any, to be disclosed |
|---|---|---|---|
| Rupc Enterprises Private Limited | Trade Payable | 0.01 | NA |
| Shivasha Realtech India Pvt Ltd | Trade Payable | 0.12 | NA |
| J A Projects Private Limited | Trade Payable | 0.14 | NA |
| Thiruvishnu Sabarisha Construction Private Limited | Trade Payable | 0.01 | NA |
| Utkarsh & Aradhya Builders And Construction Private Limited | Trade Payable | 0.01 | NA |
| N. A. Fabrication And Engineering Work Private Limited | Trade Payable | 0.09 | NA |
| T. K. Construction And Services Private Limited | Trade Payable | 0.01 | NA |
| Laxmi Engineering Consultancy Pvt Ltd | Trade Payable | 0.02 | NA |
| Skumar Infratech Private Limited | Trade Payable | 0.26 | NA |

202410180067S

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

**50.** Company has taken borrowings from banks on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

## 51. OTHER DISCLOSURES:

a) No proceedings have been initiated on or are pending against any of the entities in the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

d) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

e) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) or Intangible assets or both during the current or previous year.

g) The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

## 52. BUSINESS COMBINATION

During the previous year, the Ahmedabad bench of Hon'ble National Company Law Tribunal (NCLT) approved the Scheme of amalgamation ('the Scheme') of JMC Projects (India) Limited ('JMC'), an engineering, procurement and construction company, with the Company and their respective shareholders vide its Order dated December 21, 2022. A certified copy of the Order was filed with the Registrar of Companies on January 04, 2023 and the scheme became effective. The appointed date as per the Scheme was April 1, 2022.

Post approval of the scheme, on January 16, 2023, 13,536,944 equity shares were issued to eligible shareholders with an exchange ratio of 1 (one) equity shares of ₹ 2/- each credited as fully paid up shares of the Company for every 4 (four) equity shares of ₹ 2/- each to shareholders of JMC, except to the Company, whose names were recorded in the register of members on January 11, 2023 ('Record date').

As per guidance on accounting for common control transactions contained in Ind AS 103 "Business Combinations" the merger was accounted for using the pooling of interest method. The Company recorded the assets and liabilities pertaining to amalgamated entity vested in the Company at their respective carrying values appearing in the books. The difference between the net identifiable assets acquired and consideration paid on amalgamation was accounted as capital reserve.

### 52.1 Goodwill

Goodwill is acquired under the scheme of amalgamation of JMC Projects (India) Limited with the Company and their respective shareholders as explained in Note 52.

Goodwill is tested for impairment annually or based on an indicator and provides for impairment if the carrying amount of goodwill exceeds it's recoverable amount.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 52. BUSINESS COMBINATION (CONTD..):

**Following is a summary of changes in the carrying amount of goodwill**

(₹ in Crores)

| Particulars | Goodwill | |
|---|---|---|
| | As at 31st March, 2024 | As at 31st March, 2023 |
| Balance at the beginning of the year | 20.07 | 20.07 |
| **Balance at the end of the year** | **20.07** | **20.07** |

The Company did not identify any impairment based on internal cashflow forecast.

## 53. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE COMPANY AGAINST BORROWINGS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Property, Plant and Equipments | 1,433.38 | 1,207.42 |
| Inventories | 1,216.76 | 1,070.32 |
| Financial Assets | | |
| Trade Receivables | 5,516.61 | 5,117.36 |
| Loans | 1,088.49 | 537.86 |
| Cash & cash equivalents | 827.25 | 754.00 |
| Other Balances with Banks | 20.36 | 99.00 |
| Other Current Assets | 7,407.64 | 5,941.78 |
| **TOTAL** | **17,510.49** | **14,727.74** |

**54.** The amount outstanding to Micro, Small and Medium Enterprises is based on the information received and available with the company.

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| a) The Principal amount and interest due thereon remaining unpaid to supplier as at the end of accounting year | 223.62 | 154.15 |
| b) The interest due thereon remaining unpaid to supplier as at the end of accounting year | - | - |
| c) The amount of interest paid in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year | - | - |
| d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act. | - | - |
| e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year | 4.05 | 2.76 |
| f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure. | - | 0.10 |

202410180067G

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

**55.** The Consolidated financial statements of the Company contain segment information as per Ind AS 108 - Operating Segments accordingly separate segment information is not included in the Standalone financial statements.

Further, The company operates in Geographical Segment- India (Country of Domicile) and Outside India.

**Segment Information**

**(a) Revenue from Operations**

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Within India | 11,818.57 | 10,547.16 |
| Outside India | 4,941.09 | 3,789.66 |
| **TOTAL** | **16,759.66** | **14,336.82** |

**(b) Non Current Assets***

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Within India | 1,343.75 | 1,374.29 |
| Outside India | 450.37 | 459.82 |
| **TOTAL** | **1,794.12** | **1,834.11** |

* Excludes Intangible, Financial Assets and Deferred tax Asset.

**55.1** Revenue from major customers - Public sector undertakings in India, is ₹ 7,350.57 Crores (Previous year ₹ 6,372.42 Crores). Revenue from other individual customer is less than 10% of total revenue.

**56.** (i) Exceptional Items for the year ended 31st March, 2024 includes

Provision of ₹ 35 crores towards impairment in value of its investment in one of its subsidiary company namely Energylink (India) Limited due to changes in market conditions.

(ii) Exceptional Items for the year ended 31st March, 2023 includes

1. ₹ 109 crores (net) in respect of an award obtained by an erstwhile power transmission subsidiary and is contractually receivable by the Company.

2. Provision of ₹ 55 crores towards impairment in value of its investment in two wholly owned subsidiaries namely Kalpataru Power Transmission (Mauritius) Limited and Shree Shubham Logistics Limited due to changes in market conditions and demand forecasts.

**57.** Performance obligations unsatisfied or partially satisfied amounts to ₹ 54,875 crores (Previous Year ₹ 43,769 croreslas at 31st March, 2024 for which revenue is expected to be recognized in future over the period of 1 to 6 years.

**58.** During the year, the Income Tax Department carried out search under section 132 of the Income Tax Act, 1961 at certain premises of the Company and residence of some of its directors and an executive. Pursuant to search proceedings, notices under section 148 of the Income Tax Act, 1961 for the Assessment years from 2013 – 14 to 2020 – 21 have been received by the Company. Pursuant to these notices, the Company is in the process of submitting the return of Income and does not expect any material adjustments to these audited financial statements at this stage.

During the year, Directorate General of GST Intelligence, Ahmedabad has initiated search at certain premise of the Company in Gujarat. During the search proceedings, the Company provided required documents, data, information and explanations to the GST authorities and continues to do so. The Company has not received any order raising demand. Pending such order and/or communication, no adjustments are required to these financial statements at this stage.

# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

## 59. NOTE ON SIGNIFICANT SUBSIDIARIES AND JOINT VENTURES

### a. Particulars of Subsidiaries and Joint Ventures

| Name of Subsidiaries | With Effect From | Country of Incorporation | % Voting power As at 31st March, 2024 | % Voting power As at 31st March, 2023 |
|---|---|---|---|---|
| **Subsidiaries Held Directly** | | | | |
| Adeshwar Infrabuild Limited | August 11, 2009 | India | 100.00% | 100.00% |
| Amber Real Estate Limited | May 16, 2008 | India | 100.00% | 100.00% |
| Energylink India Limited | January 30, 2007 | India | 100.00% | 100.00% |
| Shree Shubham Logistics Limited | March 19, 2007 | India | 100.00% | 100.00% |
| Kalpataru Metfab Private Limited | March 31, 2015 | India | 100.00% | 100.00% |
| Kalpataru Power Transmission (Mauritius) Limited | January 8, 2009 | Mauritius | 100.00% | 100.00% |
| Kalpataru Power Transmission - USA, Inc | September 11, 2009 | USA | 100.00% | 100.00% |
| LLC Kalpataru Power Transmission Ukraine | November 6, 2012 | Ukraine | 100.00% | 100.00% |
| Kalpataru IBN Omairah Company Limited | June 01, 2015 | Saudi Arabia | 65.00% | 65.00% |
| Kalpataru Power Transmission Sweden AB | January 28, 2019 | Sweden | 100.00% | 100.00% |
| Kalpataru Power Senegal SARL | August 10, 2020 | Senegal | 100.00% | 100.00% |
| Kalpataru Power do Brasil Participações Ltda | January 27, 2021 | Brazil | 100.00% | 100.00% |
| Kalpataru Power Chile SpA | February 28, 2022 | Chile | 100.00% | 100.00% |
| Brij Bhoomi Expressway Private Limited | December 6, 2010 | India | 100.00% | 100.00% |
| JMC Mining and Quarries Limited | February 6, 2007 | India | 100.00% | 100.00% |
| Vindhyachal Expressway Private Limited | January 16, 2012 | India | 100.00% | 100.00% |
| Wainganga Expressway Private Limited | June 02, 2011 | India | 100.00% | 100.00% |
| **Subsidiaries Held Indirectly** | | | | |
| Saicharan Properties Limited | June 30, 2009 | India | 100.00% | 100.00% |
| Kalpataru Power DMCC | August 3, 2011 | UAE | 100.00% | 100.00% |
| Punarvasu Financial Services Private Limited | December 31, 2014 | India | 100.00% | 100.00% |
| Linjemontage i Grästorp Aktiebolag | April 29, 2019 | Sweden | 100.00% | 100.00% |
| Linjemontage Service Nordic AB | April 29, 2019 | Sweden | 100.00% | 100.00% |
| Linjemontage AS | April 29, 2019 | Norway | 100.00% | 100.00% |
| Fasttel Engenharia S.A.* | April 07, 2021 | Brazil | 100.00% | 51.00% |

### b. Particulars of Joint Venture Entities included in Consolidation

| Name of Joint Ventures | With Effect From | Country of Incorporation | % Voting power As at 31st March, 2024 | % Voting power As at 31st March, 2023 |
|---|---|---|---|---|
| Kurukshetra Expressway Private Limited | March 29,2010 | India | 49.57% | 49.57% |

*Kalpataru Power Do Brasil Participacoes Ltda, a wholly owned subsidiary company, ("KPBPL") on July 10, 2023 has acquired remaining 49% equity stake in Fasttel Engenharia S.A., Brazil ("Fasttel") and consequently Fasttel became wholly owned subsidiary of KPBPL from the said date.

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# Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

**60.** Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

**61.** The Company is executing projects in Afghanistan, which are currently on hold due to Force Majeure event. The Company is closely monitoring the situation and expect to resume work once the geopolitical environment in Afghanistan is resolved. The Company does not expect any material financial impact due to this event as the projects are funded by multilateral funding agencies and the company has covered the exposure of credit risk through insurance cover. Further, the bank guarantee issued for the aforesaid ongoing projects cannot be enforced as per the terms and conditions of the underlying contracts.

**62.** The Board of Directors have recommended a dividend of ₹ 8 per equity share for the financial year 2023-24, subject to approval by shareholders at the Annual General Meeting and if approved, would result in cash outflow of ₹ 129.96 Crores, which has not been included as liability in these standalone financial statements.

For **B S R & Co. LLP**
Chartered Accountants
*Firm Registration No : 101248W /W-100022*

**Bhavesh Dhupelia**
Partner
Membership No : 042070
Mumbai : May 08, 2024

**Ram Patodia**
Chief Financial Officer

**Shweta Girotra**
Company Secretary

For and on behalf of the Board of Directors
**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

**Shailendra Kumar Tripathi**
Deputy Managing Director
DIN: 03156123
Mumbai : May 08, 2024

# Independent Auditor's Report

**To**

**The Members of Kalpataru Projects International Limited**
**(Formerly known as Kalpataru Power Transmission Limited)**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the consolidated financial statements of Kalpataru Projects International Limited (Formerly known as Kalpataru Power Transmission Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its joint venture and joint operations, which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate/consolidated financial statements of such subsidiaries, joint venture and joint operation as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint venture and joint operations as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint venture and joint operations in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## ESTIMATION OF CONTRACT COST AND REVENUE RECOGNITION

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Group's revenue is primarily from long terms Engineering Procurement and Construction (EPC) contracts projects which are complex in nature, span over a number of reporting periods.<br><br>The Group has construction contracts whose revenue recognition is dependent on a high level of judgement over the percentage of completion. It is based on their best estimate of the costs to complete, valuation of contractual variations, claims and ability to deliver the contract within the contractual time limit. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br><br>• Obtained an understanding of the Group's revenue recognition processes and evaluated the appropriateness of the Group's accounting policy for revenue recognition in accordance with Ind AS 115 – Revenue from contracts with customers.<br><br>• Evaluated the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry, observations, and inspection of evidence. |

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| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Group uses an input method based on costs incurred to measure progress of the projects. Under this approach, the Company recognizes revenue based on the costs incurred to date relative to the estimated total costs to complete the performance obligation. Profit is not recognised until the outcome of the contract is certain.<br><br>Revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about cost overruns and changes in scope/ term of a construction contract.<br><br>We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete involves significant management judgement which has a consequential impact on revenue recognition and profit. | • For sample contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion. For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures.<br><br>• To test the forecasted cost to complete, for sample contracts, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed underlying documents, evaluating reasonableness of management's judgements / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the completed projects. Verified the provisioning requirement for loss making contracts/onerous obligations, if any.<br><br>• Considered the adequacy of the disclosures in note 23 in the consolidated financial statements. |

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's reports thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture and joint operations in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture and joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture and joint operations are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture and joint operations are responsible for overseeing the financial reporting process of each company.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture and joint operations to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its joint venture and joint operations to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTERS

a. We did not audit the financial statements of one joint operation whose financial statements reflects total assets (before consolidation adjustments) of ₹ 83.35 crores as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 60.65 crores and net cash flows (before consolidation adjustments) amounting to ₹ 12.59 crores for

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the year ended on that date, as considered in the consolidated financial statements. This financial statements has been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this joint operation and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operation is based solely on the report of the other auditor.

We did not audit the financial statements of twenty two subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 3,893.74 crores as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 2,842.57 crores and net cash outflows (before consolidation adjustments) amounting to ₹ 17.36 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ Nil crores for the year ended 31 March 2024, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Group's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Group's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Group and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the branch auditors and other auditors.

b. The financial statements of one joint operation whose financial statements reflects total assets (before consolidation adjustments) of ₹ 39.40 crores as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 23.22 crores and net cash inflows (before consolidation adjustments) amounting to ₹ 10.61 crores for the year ended on that date, as considered in the consolidated financial statements, has not been audited either by us or by other auditor. This unaudited statements has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint operation and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint operation is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements is not material to the Group.

The financial statements of one subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of ₹0.01 crores as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ Nil crores and net cash flows (before consolidation adjustments) amounting to ₹ Nil crores for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditor. This unaudited financial statements has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matters with respect to the financial statements certified by the Management.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the

purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those and the reports of the other auditors except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and joint venture company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/ consolidated financial statements of the subsidiaries and joint venture, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group and its joint venture. Refer Note 34 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 32 and 36 to the consolidated financial statements in respect of such items as it relates to the Group and its joint venture.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024.

d (i) The management of the Holding Company and its subsidiaries and joint venture company incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary companies and joint venture company respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 56(a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary companies and joint venture company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiary companies and joint venture company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiaries and joint venture company incorporated in India whose financial statements has been audited under

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the Act has represented to us and the other auditors of such subsidiary companies and joint venture company respectively that, to the best of their knowledge and belief, as disclosed in the Note 56(c) to the consolidated financial statements, no funds have been received by the Holding Company and its subsidiary companies and joint venture company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiary companies and joint venture company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies and joint venture company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 58 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Holding Company and it subsidiary companies incorporated in India have used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- In case of Holding Company and it subsidiary companies, the feature of recording audit trail was not enabled at the database layer to log any direct data changes for the accounting software used for maintaining the books of accounts.

- In case of Holding Company and it subsidiary companies, the audit trail was not enabled for certain changes which were performed by users having privilege access rights, for the accounting software used for maintaining the books of accounts.

  Further, for the period where audit trail (edit log) facility was enabled and operated through out the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No.: 042070
ICAI UDIN:24042070BKCQTV6609

Place: Mumbai
Date: 08 May 2024

# Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Kalpataru Projects International Limited (Formerly known as Kalpataru Power Transmission Limited) for the year ended 31 March 2024

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

| Sr. No. | Name of the entities | CIN | Subsidiary/ Joint Venture | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---|---|---|---|---|
| 1 | Kurukshetra Expressway Private Limited | U45400HR2010PTC040303 | Joint Venture | Clause (ix)(a)<br>Clause (xvii)<br>Clause (xix) |
| 2 | Shree Shubham Logistics Limited | U60232GJ2007PLC049796 | Subsidiary | Clause (xvii)<br>Clause (xix) |

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No.: 042070
ICAI UDIN:24042070BKCQTV6609

Place: Mumbai
Date: 08 May 2024

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# Annexure B to the Independent Auditor's Report on the consolidated financial statements of Kalpataru Projects International Limited (Formerly known as Kalpataru Power Transmission Limited) for the year ended 31 March 2024

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## OPINION

In conjunction with our audit of the consolidated financial statements of Kalpataru Projects International Limited (Formerly known as Kalpataru Power Transmission Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and joint venture company , as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies and joint venture company, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies and its joint venture company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint venture company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to eleven subsidiary companies and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No.: 042070
ICAI UDIN:24042070BKCQTV6609

Place: Mumbai
Date: 08 May 2024

202410180682

# Consolidated Balance Sheet

as at 31st March, 2024

(₹ in Crores)

| Particulars | Note | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a) Property, Plant and Equipments | 5(i) | 1,996.33 | 1,980.78 |
| (b) Capital Work in Progress | | 33.32 | 52.28 |
| (c) Right of Use Assets | 44 | 102.93 | 106.16 |
| (d) Goodwill | 46 | 184.30 | 183.61 |
| (e) Other Intangible Assets | 5(ii) | 789.48 | 853.86 |
| (f) Financial Assets | | | |
| (i) Investments | 6 | - | 1.55 |
| (ii) Trade Receivables | 7(i) | 131.05 | 188.79 |
| (iii) Others | 9(i) | 194.73 | 166.34 |
| (g) Deferred Tax Assets (net) | 10 | 187.66 | 178.43 |
| (h) Non-Current Tax Assets (net) | 15(i) | 1.17 | 0.59 |
| (i) Other Non-Current Assets | 11(i) | 137.81 | 127.19 |
| | | **3,758.78** | **3,829.60** |
| **Current Assets** | | | |
| (a) Inventories | 12 | 1,353.36 | 1,228.47 |
| (b) Financial Assets | | | |
| (i) Investments | 6.2 | - | 3.08 |
| (ii) Trade Receivables | 7(ii) | 5,805.29 | 5,251.25 |
| (iii) Cash and Cash Equivalents | 13 | 1,009.33 | 956.43 |
| (iv) Bank Balances Other than (iii) above | 14 | 22.66 | 103.44 |
| (v) Loans | 8(i) | 62.82 | 57.52 |
| (vi) Others | 9(ii) | 465.63 | 422.87 |
| (c) Current Tax Assets (net) | 15(ii) | 161.49 | 185.78 |
| (d) Other Current Assets | 11(ii) | 8,379.78 | 6,519.77 |
| (e) Asset classified as held for sale | 6.3 | 1,018.57 | 1,022.64 |
| | | **18,278.93** | **15,751.25** |
| **TOTAL ASSETS** | | **22,037.71** | **19,580.85** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 16 | 32.49 | 32.49 |
| (b) Other Equity | 17(i) | 5,105.50 | 4,688.13 |
| Equity Attributable to Owners of the Company | | 5,137.99 | 4,720.62 |
| (c) Non-Controlling Interests | 17(ii) | (25.18) | (26.76) |
| | | **5,112.81** | **4,693.86** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18(i) | 1,447.54 | 1,214.83 |
| (ia) Lease Liabilities | 44 | 46.76 | 54.80 |
| (ii) Trade Payables | 19(i) | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 115.60 | 161.40 |
| (iii) Other Financial Liabilities | 20(i) | 428.87 | 393.17 |
| (b) Provisions | 21(i) | 52.12 | 76.05 |
| (c) Deferred Tax Liabilities (net) | 10 | 23.30 | 60.21 |
| (d) Other Non-Current Liabilities | 22(i) | 24.08 | 326.51 |
| | | **2,137.27** | **2,286.97** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18(ii) | 2,461.66 | 2,467.63 |
| (ia) Lease Liabilities | 44 | 53.24 | 48.87 |
| (ii) Trade Payables | 19(ii) | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 224.89 | 153.40 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 5,630.58 | 4,750.44 |
| (iii) Other Financial Liabilities | 20(ii) | 856.55 | 563.21 |
| (b) Other Current Liabilities | 22(ii) | 4,636.91 | 3,613.30 |
| (c) Provisions | 21(ii) | 470.53 | 416.60 |
| (d) Current Tax Liabilities (net) | 15(iii) | 43.83 | 121.90 |
| (e) Liabilities directly associated with assets held for sale | | 409.44 | 464.67 |
| | | **14,787.63** | **12,600.02** |
| **TOTAL EQUITY AND LIABILITIES** | | **22,037.71** | **19,580.85** |
| Notes forming part of the Consolidated Financial Statements | 1 to 60 | | |

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W / W-100022

**Bhavesh Dhupelia**
Partner
Membership No : 042070
Mumbai : May 08, 2024

For and on behalf of the Board of Directors

**Ram Patodia**
Chief Financial Officer

**Shweta Girotra**
Company Secretary

**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

**Shailendra Kumar Tripathi**
Deputy Managing Director
DIN: 03156123
Mumbai : May 08, 2024

# Consolidated Statement of Profit and Loss

for year ended 31st March, 2024

(₹ in Crores)

| Particulars | Note | 2023-24 | 2022-23 |
|---|---|---|---|
| Revenue from Operations | 23 | 19,626.43 | 16,361.44 |
| Other Income | 24 | 63.99 | 39.70 |
| **TOTAL INCOME** | | **19,690.42** | **16,401.14** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 25 | 8,187.39 | 6,983.77 |
| Changes in Inventories of Finished goods and Work in Progress | 26 | 17.71 | (13.46) |
| Erection, Sub-Contracting and Other Project Expenses | 41 | 6,595.43 | 5,413.50 |
| Employee Benefits Expenses | 27 | 1,717.63 | 1,446.88 |
| Finance Costs | 28 | 518.08 | 466.75 |
| Depreciation and Amortisation Expenses | 5 & 44 | 473.29 | 391.75 |
| Expected credit losses provision for loans and advances given to JV | | - | 2.81 |
| Other Expenses | 29 | 1,479.70 | 1,158.40 |
| **TOTAL EXPENSES** | | **18,989.23** | **15,850.40** |
| **Profit Before share of profit / (loss) of Joint venture and Exceptional Item** | | 701.19 | 550.74 |
| Share of Profit / (Loss) from Joint Venture | | - | - |
| **Profit Before Exceptional Item and Tax** | | **701.19** | **550.74** |
| Exceptional items - Gain / (Loss) (net) | 53 | - | 90.78 |
| **Profit Before Tax** | | **701.19** | **641.52** |
| Tax Expenses | | | |
| *Current Tax* | | 223.40 | 265.64 |
| Deferred Tax | | (38.11) | (59.14) |
| **PROFIT FOR THE YEAR** | | **515.90** | **435.02** |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified subsequently to Profit or Loss | | | |
| Actuarial Gain / (Loss) on Defined Plan Liability | | (5.12) | 1.99 |
| Income tax on Actuarial Gain / (Loss) | | 1.29 | (0.50) |
| | | **(3.83)** | **1.49** |
| Items that will be reclassified subsequently to Profit or Loss | | | |
| Exchange difference in translating foreign operations | | 6.42 | (15.46) |
| Gain / (Loss) on hedging instruments | | 11.37 | (58.08) |
| Income tax on above items | | (5.02) | 16.38 |
| | | **12.77** | **(57.16)** |
| Total Other Comprehensive Income | | 8.94 | (55.67) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **524.84** | **379.35** |
| Profit for the year attributable to | | | |
| Owners of the Company | | 509.61 | 440.75 |
| Non-controlling interests | | 6.29 | (5.73) |
| **PROFIT FOR THE YEAR** | | **515.90** | **435.02** |
| Total Other Comprehensive Income attributable to | | | |
| Owners of the Company | | 9.33 | (42.34) |
| Non-controlling interests | | (0.39) | (13.33) |
| **TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR** | | **8.94** | **(55.67)** |
| Total Comprehensive Income for the year attributable to | | | |
| Owners of the Company | | 518.94 | 398.41 |
| Non-controlling interests | | 5.90 | (19.06) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **524.84** | **379.35** |
| Earnings per Share (EPS) of ₹ 2 each | | | |
| Basic and Diluted (₹) | 37 | 31.37 | 29.06 |
| Notes forming part of the Consolidated Financial Statements | 1 to 60 | | |

For and on behalf of the Board of Directors

In terms of our report attached

**For B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

**Bhavesh Dhupelia**
*Partner*
Membership No : 042070
Mumbai, May 08, 2024

**Ram Patodia**
Chief Financial Officer

**Shweta Girotra**
*Company Secretary*

**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

**Shailendra Kumar Tripathi**
*Deputy Managing Director*
DIN: 03156123
Mumbai : May 08, 2024

# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2024

## A EQUITY SHARE CAPITAL

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Balance as at April 1, 2022 | 29.78 |
| Add: Shares Issue during the year | 2.71 |
| **Balance as at March 31, 2023** | **32.49** |
| **Balance as at March 31, 2024** | **32.49** |

## B OTHER EQUITY

(₹ in Crores)

| Particulars | Reserve & Surplus | | | | | | | | Other Comprehensive Income / (Loss) | | | Total Attributable to Owners of the Company | Non-Controlling Interest | Total other Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Debenture Redemption Reserve | Securities Premium | Capital Reserve | General Reserve | Statutory Reserve | Capital Redemption reserve | Reserve Fund as per Section 45IC of RBI Act, 1934 | Retained Earnings | Effective portion of Cash Flow Hedges | Exchange differences of foreign operation | Remeasurement of defined benefit obligations | | | |
| **Balance as at April 1, 2022** | **39.68** | **692.61** | **-** | **521.72** | **0.26** | **1.16** | **1.17** | **2,969.20** | **31.95** | **(8.57)** | **(0.39)** | **4,248.79** | **138.90** | **4,387.69** |
| Profit for the year 2022-23 | - | - | - | - | - | - | - | 440.75 | - | - | - | 440.75 | (5.73) | 435.02 |
| Other Comprehensive income for the year (net of tax) | - | - | - | - | - | - | - | - | (34.35) | (9.46) | 1.47 | (42.34) | (13.33) | (55.67) |
| Dividends paid including tax thereon | - | - | - | - | - | - | - | (96.77) | - | - | - | (96.77) | (5.43) | (102.20) |
| Transfer to General Reserve / Reserve Fund from Retained Earnings | - | - | - | 10.00 | - | - | 0.21 | (10.21) | - | - | - | - | - | - |
| Transfer to General Reserve From Debenture Redemption Reserve | (35.65) | - | - | 35.65 | - | - | - | - | - | - | - | - | - | - |
| Acquisition of non-controlling interest | - | - | 137.70 | - | - | - | - | - | - | - | - | 137.70 | (140.41) | (2.71) |
| Non-controlling interest changes during the year | - | - | - | - | - | - | - | - | - | - | - | - | (0.76) | (0.76) |
| Buyback of Equity shares | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Balance as at March 31, 2023** | **4.03** | **692.61** | **137.70** | **567.37** | **0.26** | **1.16** | **1.38** | **3,302.97** | **(2.40)** | **(18.03)** | **1.08** | **4,688.13** | **(26.76)** | **4,661.37** |
| Profit for the year 2023-24 | - | - | - | - | - | - | - | 509.61 | - | - | - | 509.61 | 6.29 | 515.90 |
| Other Comprehensive income for the year (net of tax) | - | - | - | - | - | - | - | - | 8.51 | 4.66 | (3.84) | 9.33 | (0.39) | 8.94 |
| Dividends paid | - | - | - | - | - | - | - | (113.71) | - | - | - | (113.71) | - | (113.71) |
| Transfer to General Reserve / Reserve Fund from Retained Earnings | - | - | - | 10.00 | - | - | 0.26 | (10.26) | - | - | - | - | - | - |

# Consolidated Statement of Changes in Equity (Contd..)

for the year ended 31st March, 2024

## B OTHER EQUITY (CONTD..)

(₹ in Crores)

| Particulars | Reserve & Surplus | | | | | | | | Other Comprehensive Income / (Loss) | | | Total Attributable to Owners of the Company | Non-Controlling Interest | Total other Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Debenture Redemption Reserve | Securities Premium | Capital Reserve | General Reserve | Statutory Reserve | Capital Redemption reserve | Reserve Fund as per Section 45IC of RBI Act, 1934 | Retained Earnings | Effective portion of Cash Flow Hedges | Exchange differences of foreign operation | Remeasurement of defined benefit obligations | | | |
| Transfer to General Reserve From Debenture Redemption Reserve | (4.03) | - | - | 4.03 | - | - | - | - | - | - | - | - | - | - |
| Acquisition of non-controlling interest | - | - | - | - | - | - | - | 12.14 | - | - | - | 12.14 | (4.32) | 7.82 |
| **Balance as at March 31, 2024** | **-** | **692.61** | **137.70** | **581.40** | **0.26** | **1.16** | **1.64** | **3,700.75** | **6.11** | **(13.37)** | **(2.76)** | **5,105.50** | **(25.18)** | **5,080.32** |

(i) Securities Premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Debenture Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

(iii) The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an items of other comprehensive income. This can be utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Statutory Reserve is created as required under article 176 of the regulations for Companies in Saudi Arabia. This reserve is not available for dividend distribution.

(v) Capital Redemption Reserve is in accordance with section 69 of the Indian Companies Act, 2013. The Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

(vi) Exchange differences of foreign operations arising on translation of the foreign operation are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the net investment is disposed-off

(vii) The cash flow hedge reserve is used to recognize the effective portion of gains or losses on derivative that are designated and qualify as cash flow hedges.

(viii) Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.

(ix) Reserve fund created on net profit in accordance with the section 45-IC of the Reserve Bank of India Act, 1934.

(x) Retained earnings represents accumulated profit of the Group as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013

(xi) Capital reserve was created on account of merger of JMC Projects (India) Limited with the Company pursuant to the Scheme of Amalgamation.

Also Notes forming part of the Consolidated Financial Statements.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No : 042070
Mumbai : May 08, 2024

**Ram Patodia**
Chief Financial Officer

**Shweta Girotra**
Company Secretary

For and on behalf of the Board of Directors

**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

**Shailendra Kumar Tripathi**
Deputy Managing Director
DIN. 03156123
Mumbai : May 08, 2024

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# Consolidated Statement of Cash Flows

for the year ended 31st March, 2024

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Profit for the year | 515.90 | 435.02 |
| **Adjustments for :** | | |
| Tax Expenses | 185.29 | 206.50 |
| Depreciation and Amortization Expenses | 473.29 | 391.75 |
| Finance Costs | 518.08 | 466.75 |
| Impairment loss on property plant and equipments | - | 18.22 |
| Dividend Income | - | (0.08) |
| Interest Income | (57.80) | (34.05) |
| Gain on disposal of Property, Plant and Equipments (net) | 2.13 | 6.65 |
| Liabilities Written Back | (0.93) | (0.57) |
| Allowance for Expected Credit Losses | 81.70 | (10.27) |
| Expected credit losses provision for loans given to JV and others | - | 2.81 |
| Impairment loss on asset held for sale | 0.03 | 0.05 |
| Unrealised Foreign Exchange (Gain) / Loss (net) | 42.35 | (9.76) |
| Net Gain arising on financial assets | (0.23) | (0.14) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 1,759.81 | 1,472.88 |
| **Adjustments for :** | | |
| Trade and other Receivables | (2,486.27) | (2,321.71) |
| Inventories | (124.87) | (132.44) |
| Trade, other payables and provisions | 1,976.58 | 1,864.60 |
| **CASH GENERATED FROM OPERATIONS** | **1,125.25** | **883.33** |
| Income Tax Paid | (282.29) | (226.94) |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES** | **842.96** | **656.39** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES :** | | |
| Capital expenditure on property, plant and equipment & intangible assets (after adjustment of increase / decrease in capital work-in-progress and advances for capital expenditure) | (351.58) | (771.48) |
| Proceeds from disposal of Property, Plant and Equipment | 32.92 | 52.13 |
| Proceeds from sale of subsidiary and joint venture (net) | - | 273.72 |
| Proceeds from sale Mutual Funds and Investments (net) | 4.86 | 0.20 |
| Loans (given to) / received back from Joint Ventures (net) | 45.00 | (2.81) |
| Loans (given to) / received back from others | (45.00) | 99.11 |
| Interest received | 52.50 | 34.05 |
| Dividend Received | - | 0.08 |
| Deposits with Banks (net) | (1.79) | (11.13) |
| **NET CASH USED IN INVESTING ACTIVITIES** | **(263.09)** | **(326.13)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Purchase of Equity Instruments from Minority Shareholders | - | (93.60) |
| Proceeds from Current / Non-Current Borrowings | 136.59 | 227.76 |
| Proceeds from Issue of Non-Convertible Debentures | 600.00 | 274.00 |
| Redemption of Non Convertible Debentures | (225.00) | (278.32) |
| Repayment of Current / Non-Current Borrowings | (441.35) | (608.19) |
| Net increase / (decrease) in short-term borrowings | 86.79 | 696.80 |
| Payment of lease liability | (63.60) | (62.44) |
| Finance Costs Paid | (503.76) | (491.69) |
| Dividend Paid including tax thereon | (113.71) | (96.77) |
| Dividend Paid to Minority Shareholders | - | (5.43) |
| **CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES** | **(524.04)** | **(437.88)** |

# Consolidated Statement of Cash Flows (Contd..)

for the year ended 31st March, 2024

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| D. Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies | (3.13) | 3.37 |
| **E. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)** | **52.70** | **(104.25)** |
| **F. REDUCTION IN CASH AND CASH EQUIVALENTS ON LOSS OF CONTROL OF SUBSIDIARY** | **-** | **-** |
| **G. OPENING CASH AND CASH EQUIVALENTS** | **957.51** | **1,061.76** |
| **I. CLOSING CASH AND CASH EQUIVALENTS (E+F+G)** | **1,010.21** | **957.51** |

**NOTES :**

(i) Cash and Cash Equivalents at the end of the year comprises:

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| (a) Cash on hand | 2.91 | 3.79 |
| (b) Cheques on hand | - | - |
| (c) Balance with Banks | | |
| (i) In current accounts | 1,005.76 | 944.17 |
| (ii) In fixed deposit accounts | 1.54 | 9.55 |
| **CASH AND CASH EQUIVALENTS AS PER STATEMENT OF CASH FLOWS*** | **1,010.21** | **957.51** |

*Cash and Cash Equivalent includes ₹ 0.88 Crores (previous year ₹ 1.08 Crores) pertaining to assets held for sale

(ii) Reconciliation of liabilities arising from financing activities:

(₹ in Crores)

| Particulars | As at 1st April, 2023 | Cash Flow | Non-Cash Changes | As at 31st March, 2024 |
|---|---|---|---|---|
| Borrowings ^ | 4,039.09 | 157.03 | 11.81 | 4,207.93 |
| Lease Liabilities | 103.67 | (63.60) | 58.93 | 99.00 |

^Borrowing includes ₹ 298.73 Crores (previous year ₹ 356.63 Crores) pertaining to assets held for sale.

(iii) The statement of cash flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- "Statement of Cash Flows".

Also refer Notes forming part of the Consolidated Financial Statements

For and on behalf of the Board of Directors

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No : 042070
Mumbai : May 08, 2024

**Ram Patodia**
Chief Financial Officer

**Shweta Girotra**
Company Secretary

**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

**Shailendra Kumar Tripathi**
Deputy Managing Director
DIN : 03156123
Mumbai : May 08, 2024

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 1. CORPORATE INFORMATION

Kalpataru Projects International Limited (*Formerly known as Kalpataru Power Transmission Limited*") (here in after referred to as the "Company") is a global EPC player with diversified interest in Buildings and Factories, Power transmission and distribution, Roads and Bridges, Water pipe lines, railway track laying and electrification, oil and gas pipelines laying, etc.

The Company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar 382028, Gujarat, India.

The Company together with its subsidiaries is herein after referred to as the 'Group'.

## 2. (A) BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been presented in India rupees (INR) which is also the functional currency of the Company. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 8th May, 2024.

The consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

## (B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to the Kalpataru Power Transmission Limited ("The Company" / "The Holding Company"), its Subsidiary Companies and Joint Venture Entities. The consolidated financial statements have been prepared on the following basis;

(i) The financial statement of the Subsidiary Companies and Jointly Venture Entities used in the consolidation are drawn up to the same reporting date as of the parent.

(ii) The financial statements of the Company and its subsidiaries have been combined on line-by-line basis by adding together, the book value of like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and unrealized profits or losses, unless cost cannot be recovered.

(iii) The excess of cost to the Company of its investments in subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognized as "Goodwill" being an asset in the consolidated financial statements and is tested for impairment on annual basis.

(iv) Non-controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiary companies were made and further movement in their share in the equity, subsequent to the dates of investments. Net profit / loss and other comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests.

(v) Interest in Joint Venture Entities are incorporated in these consolidated financial statements using the

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

equity method of accounting. Under equity method of accounting, an investment in joint venture is initially recognised at cost and adjusted thereafter to recognise the group's share of profit or loss and other comprehensive income of the joint venture.

## 3. USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis.

The estimates and underlying assumptions made by management are explained under respective policies. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value/ recoverable amount measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

## 4. MATERIAL ACCOUNTING POLICIES

### A. Revenue Recognition

#### (i) Revenue from construction contracts

Performance obligations with reference to Engineering Procurement and Construction (EPC) contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party.

Revenue, measured at transaction price, is adjusted towards liquidated damages, time value of money and price variations, escalation, change in scope etc. wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably, and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the statement of profit and loss period in which estimates are revised.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Where the Group enters into multiple contracts with the same customer, the Group evaluates whether the contract is to be combined or not by evaluating various factors. Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is subject to many variables and requires significant judgement. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

#### (ii) Revenue from other contracts

Revenue from sale of products is recognized upon satisfaction of performance obligations based on an assessment of the transfer of control as per the terms of the contract.

#### (iii) Service concession arrangement

Concession arrangements are recognized in accordance with Appendix C of Ind AS 115, Service Concession Arrangements. It is applicable to concession arrangements comprising a public service obligation and satisfying all of the following criteria:

- the concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and prices applied;

202410180068 6

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement. As per Ind AS 115, such infrastructures are not recognized in assets of the operator as property, plant and equipment but in financial assets ("financial asset model") and/ or intangible assets ("intangible asset model") depending on the remuneration commitments given by the grantor.

Construction or upgrade services provided under a service concession arrangement, recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Consideration under service concession arrangements is accounted on accrual basis in accordance with appendix C of Ind AS 115. Operation and maintenance revenue is recognised in the period in which the services are provided by the Group.

**(iv) Warehousing**

Revenues from warehousing facilities are recognized when services are rendered, which coincides with agreement entered with customers and other entities.

**(v) Real Estate Development**

The Group has evaluated the timing of revenue recognition on sale of completed units based on the rights and obligations given in the terms of contracts. The Group generally concluded that contracts relating to the completed units are recognised at a point in time when control transfers. For unconditional exchanges, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

The sale of completed units constitutes a single performance obligation and it is satisfied at the point in time when control transfers, which generally occurs when legal title transfers to the customer.

**(vi) Others**

Dividend are recognized when right to receive payment is established.

Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income.

Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.

Export benefits are accounted as revenue on accrual basis as and when export of goods take place and where there is a reasonable assurance that the benefit will be received and the Group will comply with all the attached conditions

**B. Onerous contract**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

**C. Business Combinations**

Business combinations are accounted using the acquisition method under the provisions of Ind AS 103 'Business Combinations'. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair value of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Acquisition related cost are recognised in the statement of profit or loss as incurred.

Business combinations arising from the transfer of interest in entities under common control are accounted at historical cost. The difference between the consideration given and the aggregate historical carrying amount of assets and liabilities of the acquired entity is recorded in shareholder's equity.

**D. Operating cycle**

Operating cycle for the business activities of the Group related to long term contracts i.e. supply or construction contracts covers the duration of the specific project/ contract including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective project/contract.

Assets and liabilities other than those relating to long-term contracts are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## E. Lease

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

**Measurement and recognition of leases as a lessee**

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

## F. Foreign Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). For each foreign operation outside India, the Group determines the functional currency and items included in the financial statements of each foreign operation are measured using that functional currency of that respective foreign operation. The functional and presentation currency of the Company is Indian Rupees (INR). The financial statements are presented in Indian rupees (INR).

**Accounting for transactions and balances in foreign currencies**

Foreign currency transactions are recorded in the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency at the yearend exchange rate are generally recognised in profit or loss except for transactions entered into in order to hedge.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

**Translation of foreign operations whose functional currency is other than presentation currency**

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities, both monetary and non- monetary are translated at the rates prevailing at the end of each reporting period
- Income and expense items are translated at the exchange rates at the dates of the transactions
- resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

On the disposal of a foreign operation all of the exchange differences accumulated in other comprehensive income relating to that particular foreign operation attributable to the owners of the Company is reclassified in the statement of profit and loss.

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## G. Income taxes

Income tax expense comprises current tax and deferred tax. Current and Deferred Tax are recognised in Profit or Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

***Current income taxes***

The Company's current tax is calculated using tax and tax laws rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Company, its branches and jointly controlled operations operate and generate taxable income

***Deferred income taxes***

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the *reporting period, to recover or settle the carrying amount of* its assets and liabilities.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when the Company has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## H. Inventories

Raw materials, fuel, semi-finished goods, finished goods, scraps, construction work in progress, construction materials and other stores and spares, tools are stated at lower of cost and net realizable value. Cost of purchased material is determined on the weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Scrap is valued at net realisable value.

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

Finished goods of real estate inventories includes cost of land / development rights, construction costs, allocated borrowing costs and expenses incidental to the development.

## I. Employee Benefits

### a) Defined benefit plan

The defined benefit plan of Group i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation as per the Payment of Gratuity Act, 1972. Gratuity liability is covered by payment thereof to gratuity fund under Group Gratuity Cash Accumulation Scheme of IRDA approved insurer under an irrevocable trust. The Group's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary using projected unit credit method, taking effect of Remeasurement gain and losses in Other Comprehensive Income.

### b) Defined contribution plan

Contribution to Provident Fund, a defined contribution plan is charged to the Consolidated Statement of Profit and Loss.

### c) Compensated absence

The Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are actuarially determined by an independent actuary using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

### d) Short-term employee benefits

Short term employee benefits such as Salaries, wages, short term compensated absences, bonus, ex gratia and

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

performance linked rewards including non-monetary benefits that are expected to be settled wholly within 12 months after the end of period in which the employees rendered the related services are recognised in respect of employee services upto the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

## J. Non-current assets held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets and Liabilities related to disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The determination of fair value net of cost to sell includes use of management estimates and assumptions.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and equity- accounted investee is no longer equity accounted.

## K. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale and added to cost.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as expense in the Statement of Profit and Loss in the period in which they are incurred.

## L. Provisions and Contingent Asset /Liabilities

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but disclosed in the Consolidated Financial Statements when economic inflow is probable.

## M. Government Grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

## N. Joint Operations

A joint operation is a Jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When an entity undertakes its activities under joint operations, the Group as a joint operator recognises for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets.

When a Group transacts with a jointly controlled operation in which a Group is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the jointly controlled operation, and gains and losses resulting from the transactions are recognised in the Group's financial statements only to the extent of other parties' interests in the jointly controlled operation.

## O. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets except trade receivable and financial liabilities are initially measured at fair value.

Trade receivables are initially measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at Fair value through Profit or loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### Classification and Measurement of Financial Assets

#### a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### b) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit and Loss.

*Derecognition of financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the assets. The Group continues to recognises the assets to the extent of Group's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

### Financial liabilities and equity instruments

***Classification as debt or equity***

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

***Financial liabilities***

All financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

***Derecognition of financial liabilities***

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

***Derivative Contracts***

The Group enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions. The Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial instrument ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's risk management objective and strategy.

Such derivatives financial instruments are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss.

***Financial guarantee contracts***

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

## P. Property, Plant and Equipment & Intangible Assets

Property, Plant and Equipment (except Freehold Land) are stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation / amortization and impairment loss if any. Cost of acquisition / construction includes all direct cost net of recoverable taxes and expenditures incurred to bring the asset to its working condition and location for its intended use. All costs, including finance costs and adjustment arising from exchange rate variations attributable to Property, Plant and Equipment till assets are ready to use, are capitalized.

## Q. Depreciation and Amortisation

Depreciation is provided on all depreciable property, plant and equipment over the useful life prescribed under schedule II to the Companies Act, 2013 except that:

a) Depreciation on plant and machinery of bio-mass energy plants is provided considering the useful life of plant as 20 years, as specified in Central Electricity Regulatory Commission and Rajasthan Electricity Regulatory Commission.

b) Depreciation on assets of overseas projects is provided at the rates and methods as per the best estimates of the management which is also in accordance with requirement of laws of respective foreign countries as detailed below:

| | | |
|---|---|---|
| Plant & Machineries | : | 9% - 33% |
| Furniture & Fixtures and Office Equipment | : | 10 % - 33% |
| Computers | : | 10% - 50% |
| Vehicles | : | 10% - 50% |
| Building | : | 20% - 33.33% |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

c) Depreciation on Plant & Machinery and Shuttering Materials of a subsidiary is provided taking useful life of 10 years respectively based on technical evaluation.

d) Depreciation on Furniture & Fixtures and certain Plant & Machineries at construction sites of the Holding Company is provided considering the useful life of 3 years and 5 years respectively based on past experience.

e) Depreciation on fumigation covers and dunnages is provided taking useful life of 5 years and 3 years respectively

f) Depreciation on transmission line of one of the subsidiary is provided considering 40 years of useful life.

Depreciation is provided on Straight Line Method (SLM) except on assets pertaining to Research and Development Centre, one of the unit of the Group, Real Estate and mining activities is provided on the basis of written down value method.

**Intangible Assets**

a) Intangible assets with definite useful life is amortised using straight line method over the useful life.

b) Other Intangible assets are amortized over a period of three to five years on straight line basis.

## R. Impairment

***a) Financial asset***

The Group recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for all the financial assets except for trade receivables. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109.

***b) Non-Financial asset***

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

For the purpose of assessing impairment, assets are grouped at the lowest level, for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or group of assets (cash-generating unit).

Intangible assets with indefinite life are tested for impairment at every period end. Impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

## S. Earnings Per share

Basic earnings per share are computed by dividing profit or loss of the Group attributable to the owners of the Company by weighted average number of equity shares outstanding during the period. The Group did not have any dilutive potential securities in the period presented.

## T. Cash and Cash Equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks/financial institutions, with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

## U. Exceptional item

Exceptional Items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

**V.** Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

# Notes forming part of the Consolidated Financial Statement

for the year ended March 31st 2024

## 5 PROPERTY, PLANT AND EQUIPMENTS AND OTHER INTANGIBLE ASSETS

### (a) Property, Plant, Equipment and Intangible Assets

**Financial Year 2023-24**

(₹ in Crores)

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2023 | Additions | Deductions/ Adjustments | Foreign Currency Translation Reserve | As at 31st March, 2024 | As at 1st April, 2023 | For the Year | Deductions/ Adjustments | Foreign Currency Translation Reserve | As at 31st March, 2024 | As at 31st March, 2024 |
| **(i) Property, Plant and Equipments** | | | | | | | | | | | |
| Leasehold Land | 35.81 | - | - | - | 35.81 | - | - | - | - | - | 35.81 |
| Freehold Land | 135.77 | 1.71 | 0.54 | - | 136.94 | 6.37 | - | - | - | 6.37 | 130.57 |
| Buildings | 804.99 | 35.67 | 33.98 | (3.74) | 802.94 | 225.26 | 101.50 | 22.70 | (1.42) | 302.64 | 500.30 |
| Plant and Equipment | 1,756.71 | 310.06 | 81.94 | (7.36) | 1,977.47 | 678.19 | 190.58 | 35.88 | (4.68) | 828.21 | 1,149.26 |
| Electrical Installation | 16.86 | 0.90 | 0.06 | (0.02) | 17.68 | 8.84 | 1.34 | 0.03 | 0.03 | 10.18 | 7.50 |
| Furniture and Fixtures | 30.16 | 0.82 | 0.07 | 0.01 | 30.92 | 19.52 | 1.84 | 0.06 | (0.01) | 21.29 | 9.63 |
| Office Equipment | 75.27 | 28.89 | 5.08 | (0.12) | 98.96 | 58.83 | 13.31 | 4.83 | (0.25) | 67.06 | 31.90 |
| Vehicles | 224.76 | 49.61 | 9.51 | (8.75) | 256.11 | 102.54 | 35.30 | 6.11 | (4.98) | 124.75 | 131.36 |
| **Total (i)** | **3,080.33** | **427.66** | **131.18** | **(19.98)** | **3,356.83** | **1,099.55** | **343.87** | **71.61** | **(11.31)** | **1,360.50** | **1,996.33** |
| **(ii) Other Intangible Assets** | | | | | | | | | | | |
| Toll Collection Rights | 1,007.94 | - | 0.67 | - | 1,007.27 | 251.43 | 41.89 | - | (0.01) | 293.31 | 713.96 |
| Copyright and Trade Mark | 37.17 | - | - | 0.10 | 37.27 | 0.31 | 0.10 | - | 0.02 | 0.43 | 36.84 |
| Customer relationship | 88.38 | 0.01 | - | 0.23 | 88.62 | 46.65 | 15.61 | - | 0.26 | 62.52 | 26.10 |
| Software (Other than internally generated) | 45.14 | 0.47 | 0.23 | - | 45.38 | 27.84 | 5.93 | - | (0.07) | 33.70 | 11.68 |
| Non-compete | 2.44 | - | - | 0.06 | 2.50 | 0.96 | 0.61 | - | 0.03 | 1.60 | 0.90 |
| **Total (ii)** | **1,181.07** | **0.48** | **0.90** | **0.39** | **1,181.04** | **327.19** | **64.14** | **-** | **0.23** | **391.56** | **789.48** |
| **Total (i) + (ii)** | **4,261.40** | **428.14** | **132.08** | **(19.59)** | **4,537.87** | **1,426.74** | **408.01** | **71.61** | **(11.08)** | **1,752.06** | **2,785.81** |

**Financial Year 2022-23**

(₹ in Crores)

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2022 | Additions | Deductions/ Adjustments | Foreign Currency Translation Reserve | As at 31st March, 2023 | As at 1st April, 2022 | For the Year | Deductions/ Adjustments | Foreign Currency Translation Reserve | As at 31st March, 2023 | As at 31st March, 2023 |
| **(i) Property, Plant and Equipments** | | | | | | | | | | | |
| Leasehold Land | 35.82 | - | 0.01 | - | 35.81 | - | - | - | - | - | 35.81 |
| Freehold Land | 134.89 | 0.70 | (0.19) | (0.01) | 135.77 | 6.37 | - | - | - | 6.37 | 129.40 |
| Buildings | 706.07 | 156.96 | 57.65 | 0.61 | 804.99 | 174.18 | 74.87 | 23.42 | (0.37) | 225.26 | 579.73 |
| Plant and Equipment | 1,518.23 | 435.67 | 211.93 | 14.74 | 1,756.71 | 695.50 | 154.78 | 181.53 | 9.44 | 678.19 | 1,078.52 |
| Electrical Installation | 15.91 | 1.41 | 0.41 | (0.05) | 16.86 | 7.71 | 1.35 | 0.23 | 0.01 | 8.84 | 8.02 |
| Furniture and Fixtures | 30.11 | 1.37 | 1.39 | 0.07 | 30.16 | 18.67 | 1.97 | 1.20 | 0.08 | 19.52 | 10.64 |
| Office Equipment | 84.31 | 5.57 | 14.82 | 0.21 | 75.27 | 59.67 | 12.56 | 13.53 | 0.13 | 58.83 | 16.44 |
| Vehicles | 145.10 | 80.30 | 8.86 | 8.22 | 224.76 | 91.73 | 22.88 | 7.45 | 5.38 | 102.54 | 122.22 |
| **Total (i)** | **2,670.44** | **680.98** | **294.88** | **23.79** | **3,080.33** | **1,043.83** | **268.41** | **227.36** | **14.67** | **1,099.55** | **1,980.78** |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March 2024

## 5. PROPERTY, PLANT AND EQUIPMENTS AND OTHER INTANGIBLE ASSETS (CONTD..)

(₹ in Crores)

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2022 | Additions | Deductions/ Adjustments | Foreign Currency Translation Reserve | As at 31st March, 2023 | As at 1st April, 2022 | For the Year | Deductions/ Adjustments | Foreign Currency Translation Reserve | As at 31st March, 2023 | As at 31st March, 2023 |
| **(ii) Other Intangible Assets** | | | | | | | | | | | |
| Toll Collection Rights | 1,748.56 | 1.64 | 742.26 | - | 1,007.94 | 257.01 | 44.39 | 49.97 | - | 251.43 | 756.51 |
| Copyright and Trade Mark | 37.34 | - | - | (0.17) | 37.17 | 0.20 | 0.11 | - | - | 0.31 | 36.86 |
| Customer rolationship | 88.84 | - | - | (0.46) | 88.38 | 28.31 | 17.37 | - | 0.97 | 46.65 | 41.73 |
| Software (Other than internally generated) | 57.70 | 3.59 | 16.14 | - | 45.14 | 35.62 | 7.44 | 15.22 | - | 27.84 | 17.30 |
| Non-compete | 2.40 | - | - | 0.04 | 2.44 | 0.47 | 0.44 | - | 0.05 | 0.96 | 1.48 |
| **Total (ii)** | **1,934.84** | **5.22** | **758.40** | **(0.59)** | **1,181.07** | **321.61** | **69.75** | **65.19** | **1.02** | **327.19** | **853.88** |
| **Total (I) + (II)** | **4,605.28** | **686.20** | **1,053.28** | **23.20** | **4,261.40** | **1,365.44** | **338.16** | **292.55** | **15.69** | **1,426.74** | **2,834.66** |

**Notes :**

(a) Refer note 33 for security created on property plant & equipment and other intangible assets.

(b) Deductions / adjustments includes assets reclassified to / from assets held for sale. Depreciation pertaining to assets held for sale is ₹ 6.03 Crores (previous year ₹ 6.11 Crores)

(c) Depreciation / Amortisation includes impairment on building amounting to ₹ Nil crores (Previous year 6.63 crores)

### (b) Capital Work in Progress

(₹ in Crores)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 52.28 | 19.91 |
| Additions | 67.04 | 134.68 |
| Capitalised during the year | 86.00 | 102.31 |
| **Balance at the end of the year** | **33.32** | **52.28** |

(c) Leasehold land of which significant risk and reward is transferred to Company is treated as freehold land.

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 6. INVESTMENTS - NON CURRENT

(₹ in Crores)

| Particulars | Currency | Face Value Per Share/ Unit | No. of Shares / Units As at 31st March, 2024 | No. of Shares / Units As at 31st March, 2023 | Amount As at 31st March, 2024 | Amount As at 31st March, 2023 |
|---|---|---|---|---|---|---|
| **A. Investments - Carried at cost** | | | | | | |
| **(a) In Equity Instruments of Joint Venture, Unquoted, Fully Paid** | | | | | | |
| Kurukshetra Expressway Private Limited | INR | 10 | 5,16,82,990 | 5,16,82,990 | 98.27 | 98.27 |
| Less: Impairment in value of investment | | | | | (98.27) | (98.27) |
| **TOTAL INVESTMENT CARRIED AT COST** | | | | | - | - |
| **B. Investment - Carried at fair value through profit or loss (FVTPL)** | | | | | | |
| **(i) Quoted, Fully Paid** | | | | | | |
| **(a) In Equity instruments** | | | | | | |
| Power Grid Corporation of India Limited | INR | 10 | - | 64,488 | - | 1.46 |
| | | | | | - | **1.46** |
| **(ii) Unquoted,** | | | | | | |
| **In Equity instruments, Fully paid** | | | | | | |
| Alipurduar Transmission Limited | INR | 10 | 1,44,64,066 | 1,44,64,066 | - | - |
| Kohima-Mariani Transmission Limited | INR | 10 | 1,90,63,044 | 1,90,63,044 | - | - |
| Agri Warehousing Service Providers (INDIA) Association | INR | 10 | 1,00,000 | 90,000 | 0.10 | 0.09 |
| Less: Impairment in value of investment | | | | | (0.10) | - |
| Total investment carried at fair value through profit or loss | | | | | - | 1.55 |
| **TOTAL** | | | | | - | **1.55** |
| Aggregate carrying amount of Quoted Investments | | | | | - | 1.46 |
| Market Value of Quoted Investments | | | | | - | 1.46 |
| Aggregate amount of Unquoted Investments | | | | | - | 0.09 |

**Note:**

**6.1** 1,44,64,066 (Previous Year - 1,44,64,066) Equity shares of Alipurduar Transmission Limited (ATL) and 1,90,63,044 (Previous Year - 1,75,96,055) shares of Kohima-Mariani Transmission Limited are pledged.

## 6.2 INVESTMENTS - CURRENT

(₹ in Crores)

| Particulars | Currency | Face Value Per Share/ Unit | No. of Shares / Units As at 31st March, 2024 | No. of Shares / Units As at 31st March, 2023 | Amount As at 31st March, 2024 | Amount As at 31st March, 2023 |
|---|---|---|---|---|---|---|
| **Investment- carried at fair value through profit or loss (FVTPL)** | | | | | | |
| Mutual Fund | | | | | | |
| HDFC Liquid Fund - Growth | INR | 4,384 | - | 3,507 | - | 1.54 |
| ABSL Liquid Fund - Growth | INR | 360 | - | 42,754 | - | 1.54 |
| | | | | | - | **3.08** |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 6 INVESTMENTS -NON CURRENT (CONTD..)

### 6.3 Assets classified as held for sale

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| In Equity Instruments | 253.58 | 233.95 |
| Property, Plant and Equipment | 11.48 | 27.41 |
| Developmental Assets | 753.51 | 761.28 |
| **TOTAL** | **1,018.57** | **1,022.64** |

**Assets Held for Sales**

(i) During the FY 2020-21, the Company has completed the transfer of 49% stake along with the transfer of control of Alipurduar Transmission Limited (ATL) to the Buyer with effect from November 26, 2020 and accordingly it ceased to be a subsidiary in accordance with the Indian Accounting Standards (Ind AS). Subsequently, during previous year, the Company has completed transfer of additional 25% of total equity shares on October 13, 2022. Remaining 26% stake will be transferred after obtaining requisite approval. Investment in Equity Instruments amounting to ₹ 99.01 Crores (Previous year ₹ 90.84 Crores) represents fair value of retained equity stake in ATL.

(ii) The Company was holding 74% equity stake in Kohima Mariani Transmission Limited (KMTL), a joint venture between the Company and Techno Electric & Engineering Company Limited (TEECL). The Company and TEECL have entered into a Share Purchase and Shareholders Agreement dated 3rd July 2019 ("the Agreement") with Buyer to sell their respective equity stake in KMTL. Pursuant to the Agreement, the Company has sold 23% stake and transferred the control of KMTL to the Buyer on December 20, 2021 and ceased to be Joint Venture of the company w.e.f December 20, 2021 in accordance with Ind AS 28 "Investments in Associates and Joint Ventures". Subsequently, during previous year, the Company has completed transfer of additional 25% of total equity shares on February 24, 2023. Remaining 26% stake will be transferred after obtaining requisite approval. Investment in Equity Instruments amounting to ₹ 154.56 Crores (Previous year ₹ 143.11 Crores) represents fair value of retained equity stake in KMTL.

(iii) One of the Subsidiary Company has classified a parcel of freehold and building, under "held for sale", as it intends to dispose the same. The Subsidiary has recognised impairment loss for of ₹ NIL Crores (Previous year ₹ 18.21 Crores).

(iv) The Company initiated identification and evaluation of potential buyers for its subsidiary Vindhyachal Expressway Private Limited ("VEPL"). Accordingly assets and liabilities amounting to ₹ 753.51 Crores (Previous year ₹ 761.28 Crores) and ₹ 402.42 Crores (Previous year ₹ 463.70 Crores) respectively related to VEPL has been classified under held for sale as management is committed for sale of the asset which is highly probable.

## 7 TRADE RECEIVABLES*
## (UNSECURED, CONSIDERED GOOD)

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | 231.50 | 225.27 |
| Less : Allowance for expected credit losses | (100.45) | (36.48) |
| **TOTAL** | **131.05** | **188.79** |
| **(ii) Current** | 5,901.73 | 5,366.03 |
| Less : Allowance for expected credit losses | (96.44) | (114.78) |
| **TOTAL** | **5,805.29** | **5,251.25** |

*Refer Note 32 for Trade receivables ageing

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 8 LOANS

**(UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)**

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Current** | | |
| Joint Venture Companies (JV) (refer note 40) | 303.46 | 301.68 |
| Others^ | 70.57 | 65.27 |
| Less : Expected credit losses for loans to JV and others | (311.21) | (309.43) |
| **TOTAL** | **62.82** | **57.52** |

^ Secured ₹ 8.55 Crores (Previous year ₹ 8.54 Crores)

## 9 OTHER FINANCIAL ASSETS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Fixed Deposit with Banks # | 34.22 | 45.58 |
| Security Deposits | 142.71 | 108.71 |
| Interest accrued on Fixed Deposit | 2.86 | 1.83 |
| Others | 14.94 | 0.22 |
| **TOTAL** | **194.73** | **156.34** |
| **(ii) Current** | | |
| Fixed Deposit with Banks ** | 212.15 | 118.22 |
| Accrued Income | 28.55 | 26.91 |
| Security Deposits | 66.31 | 90.59 |
| Subsidy Deposit ^^ | 2.75 | 2.75 |
| Others ## | 155.87 | 184.40 |
| **TOTAL** | **465.63** | **422.87** |

# Includes ₹ 34.18 Crores (previous year ₹ 42.69 Crores) held as margin money and towards other commitments

** Includes ₹ 204.48 Crores (previous year ₹ 90.56 Crores) held as margin money and towards other commitments

^^ Subsidy deposit of ₹ 2.75 Crores have been received from National Bank for Agriculture and Rural Development (NABARD). However, the same has been recalled and kept on hold by NABARD at the bank due to some compliance issues. During the year, Special Civil Application has been allowed by the Hon'ble Gujarat High Court and NABARD has been directed to release final subsidy deposit of ₹ 1.00 Crores which pertains to Gujarat along with an interest of 6% p.a. However, NABARD has filed an appeal against the order of Hon'ble Gujarat High Court. In case of Rajasthan, an application has been filed for hearing in Hon'ble Rajasthan High Court, Jaipur for ₹ 1.75 Crores. The same was listed on July 12, 2023 but did not come up for hearing. The next hearing date has not been fixed by Hon'ble High court The stay order has been continuing in our favour.

## Others mainly include Mark to market on derivative contracts and other receivables from customers.

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 10 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

(₹ in Crores)

| Particulars | As at 1st April, 2023 | Recognised in profit or loss | Recognised in other comprehensive income | Acquired under business combination | Others | As at 31st March, 2024* |
|---|---|---|---|---|---|---|
| **Deferred tax (liabilities)/assets in relation to:** | | | | | | |
| a Property, Plant and Equipment and on intangible assets | (118.03) | 10.93 | - | - | (2.81) | (109.91) |
| b Expense deductible / income taxable in different tax accounting period and change in fair value | 26.22 | 7.87 | (0.51) | - | (0.97) | 32.61 |
| c Allowance for expected credit losses | 155.63 | 28.18 | - | - | - | 183.81 |
| d Carry Forward Tax Losses | 110.69 | (7.45) | - | - | 3.65 | 106.89 |
| e Change in method of determining revenue | (20.50) | 0.16 | - | - | - | (20.34) |
| f Other Tax effect | 12.06 | (1.58) | 1.45 | - | (0.01) | 11.92 |
| **SUB-TOTAL** | **166.07** | **38.11** | **0.94** | **-** | **(0.14)** | **204.98** |
| MAT Credit Entitlement | 9.06 | - | - | - | - | 9.06 |
| **TOTAL** | **175.13** | **38.11** | **0.94** | **-** | **(0.14)** | **214.04** |

*Deferred tax Assets as at March 31st 2024 includes amount of ₹ 49.68 Crores pertaining to assets held for sales

(₹ in Crores)

| Particulars | As at 1st April, 2022 | Recognised in profit or loss | Recognised in other comprehensive income | Acquired under business combination | Others | As at 31st March, 2023* |
|---|---|---|---|---|---|---|
| **Deferred tax (liabilities)/assets in relation to:** | | | | | | |
| a Property, Plant and Equipment and on intangible assets | (103.71) | (13.97) | - | - | (0.35) | (118.03) |
| b Expense deductible / income taxable in different tax accounting period and change in fair value | (29.12) | 44.48 | 11.08 | - | (0.22) | 26.22 |
| c Allowance for expected credit losses | 162.69 | (7.06) | - | - | - | 155.63 |
| d Carry Forward Tax Losses | 67.72 | 42.97 | - | - | - | 110.69 |
| e Change in method of determining revenue | (20.50) | - | - | - | - | (20.50) |
| f Other Tax effect | 16.17 | (7.28) | (0.53) | - | 3.70 | 12.06 |
| **SUB-TOTAL** | **93.25** | **59.14** | **10.55** | **-** | **3.13** | **166.07** |
| MAT Credit Entitlement | 9.06 | - | - | - | - | 9.06 |
| **TOTAL** | **102.31** | **59.14** | **10.55** | **-** | **3.13** | **175.13** |

*Deferred tax Assets as at March 31st 2023 includes amount of ₹ 56.91 Crores pertaining to assets held for sales

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 10 DEFERRED TAX ASSETS / (LIABILITIES) (NET) (CONTD..)

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Deferred tax assets T & A Capital | 187.66 | 178.43 |
| Deferred tax liabilities T & L capital letter | (23.30) | (60.21) |
| **Net Deferred Tax Asset** | **164.36** | **118.22** |
| Assets / (Liabilities) directly associated with assets held for sale | 49.68 | 56.91 |
| **Net Deferred Tax Asset including pertaining to assets held for sale** | **214.04** | **175.13** |

## 11 OTHER ASSETS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Capital Advances | 54.51 | 66.65 |
| Prepaid Expenses | 32.15 | 30.94 |
| VAT Credit and WCT Receivable | 27.96 | 28.39 |
| Amount Due from Customers under Construction and other Contracts (Contract assets) | 23.19 | - |
| Taxes Paid Under Protest | - | 1.21 |
| **TOTAL** | **137.81** | **127.19** |
| ***(ii) Current*** | | |
| Taxes and Duties Recoverable | 51.00 | 87.24 |
| VAT Credit and WCT Receivable | 107.71 | 107.86 |
| GST Receivable | 632.11 | 450.52 |
| Export Benefits Receivable | 9.26 | - |
| Taxes Paid Under Protest | 9.39 | 7.40 |
| Advance to Suppliers | 625.97 | 347.47 |
| Prepaid Expenses | 105.50 | 84.88 |
| Amount Due from Customers under Construction and other Contracts (Contract assets) | 6,837.68 | 5,433.71 |
| Others | 1.16 | 0.69 |
| **TOTAL** | **8,379.78** | **6,519.77** |

### 11.1 Amount due from / (to) Customers under Construction Contracts in progress at the end of the reporting period

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Recognised as amount due: | | |
| from Customers under Construction Contract | 6,912.21 | 5,450.76 |
| to Customers under Construction Contract (refer note 22) | (703.26) | (600.62) |
| Advances from Customer (refer note 22) | (3,611.96) | (3,039.22) |
| Less : Allowance for expected credit losses - Current | (15.37) | - |
| Less : Allowance for expected credit losses - Non-Current | (35.97) | (17.05) |
| | **2,545.65** | **1,793.87** |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 11 OTHER ASSETS (CONTD..)

**11.2** The contract assets represents amount due from customer, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when invoice is raised on achievement of contractual milestones. This usually occurs when the Company issues an invoice to the customer. The contract liabilities represents amount due to customer, primarily relate to invoice raised on customer on achievement of milestones for which revenue to be recognised over the period of time and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage.

**11.3** Increase in contract assets is mainly due to increase in business activities and in certain contracts on account of contractual milestones not achieved. During the year ended March 31, 2024 ₹ 5,390.37 Crores (Previous year ₹ 3,423.80 Crores) of contract assets as at the beginning of the year has been reclassified to Trade receivables upon billing to customers on completion of milestones.

**11.4** Revenue recognised for the current period includes ₹ 1,425.45 Crores (Previous year ₹ 951.64 Crores), that was classified as amount due to customer at the beginning of the year.

**11.5** In case of EPC contracts, amount upto 20% of the contract value is paid as an advance and upto 20% amount is retained and released at the end of project and balance amount is paid progressively based on the agreed milestones in the contract.

**11.6** There are no reconciliation items of revenue recognised from contracts with customers and contract price.

## 12 INVENTORIES

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Raw Materials and Components (including goods in transit ₹ 1.96 Crores) (Previous Year ₹ 0.21 Crores) | 310.62 | 173.53 |
| Work-in-progress Tower Parts | 37.15 | 24.99 |
| Finished goods Tower Parts | 102.00 | 131.75 |
| Store, Spares, Construction Materials and Tools | 822.12 | 776.23 |
| Scrap | 6.48 | 6.60 |
| Finished Goods of Real Estate Assets | 29.98 | 88.79 |
| Semi-finished Goods of Real Estate Assets | 45.01 | 26.58 |
| **TOTAL** | **1,353.36** | **1,228.47** |

12.1 Refer note 4 (H) for accounting policy related to valuation of inventories

## 13 CASH AND CASH EQUIVALENTS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Balances With Banks | | |
| In Current Accounts | 1,004.88 | 943.11 |
| In Fixed Deposit (with original maturity of less than 3 months) | 1.54 | 9.55 |
| Cheques on hand | - | - |
| Cash on hand | 2.91 | 3.77 |
| **TOTAL** | **1,009.33** | **956.43** |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 14 OTHER BALANCES WITH BANKS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Unpaid Dividend Accounts | 0.65 | 0.69 |
| Deposits with original maturity more than 3 months but less than 12 months * | 22.01 | 102.75 |
| **TOTAL** | **22.66** | **103.44** |

* Includes ₹ 20.75 Crores (Previous year ₹ 99.02 Crores) held as margin money and towards other commitments.

## 15 CURRENT TAX

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current Tax Assets (Net)** | | |
| Advance Income Tax and TDS (net of provisions) | 1.17 | 0.59 |
| **TOTAL** | **1.17** | **0.59** |
| **(ii) Current Tax Assets (net)** | | |
| Advance Income Tax and TDS (net of provisions) | 161.49 | 185.78 |
| **TOTAL** | **161.49** | **185.78** |
| **(iii) Current Tax Liabilities (net)** | | |
| Provisions for Tax (net of Advance Income Tax and TDS) | 43.83 | 121.90 |
| **TOTAL** | **43.83** | **121.90** |

## 16 EQUITY SHARE CAPITAL

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **AUTHORISED :** | | |
| 42,50,00,000 (Previous year 42,50,00,000) Equity Shares of ₹ 2 each | 85.00 | 85.00 |
| **TOTAL** | **85.00** | **85.00** |
| **ISSUED, SUBSCRIBED AND PAID-UP:** | | |
| 16,24,46,152 (Previous year 16,24,46,152) Equity Shares of ₹ 2 each fully paid up | 32.49 | 32.49 |
| **TOTAL** | **32.49** | **32.49** |

### 16.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the period

| Equity Shares | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | No. of Shares | (₹ in Crores) | No. of Shares | (₹ in Crores) |
| Shares outstanding at the beginning of the year | 16,24,46,152 | 32.49 | 14,89,09,208 | 29.78 |
| Add: Shares Issue during the period (Refer Note 37)* | - | - | 1,35,36,944 | 2.71 |
| Shares outstanding at the end of the year | 16,24,46,152 | 32.49 | 16,24,46,152 | 32.49 |

*Shares issued for consideration other than cash

202410180069 4

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 16 EQUITY SHARE CAPITAL (CONTD.,)

**16.2** The Company has only one class of Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

**16.3** During the financial year 2019-2020, the Company has acquired 19.94% stake in Shree Shubham Logistics Limited (SSL) for a consideration of ₹ 64.66 crores. The consideration is paid through a non-cash equity swap transaction, in which 12,54,900 equity shares of the Company issued at the value of ₹ 515.25 per share.

### 16.4 Shareholding of promoters

| Promoter Name | As at 31st March, 2024 | | As at 31st March, 2023 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | % of Holding | No. of Shares | % of Holding | |
| Mr. Mofatraj Pukharaj Munot | 1,63,43,218 | 10.06 | 1,63,43,218 | 10.06 | - |
| Mr. Parag Mofatraj Munot | 6,39,331 | 0.39 | 79,63,615 | 4.90 | (4.51) |

### 16.5 Details of shareholders holding more than 5% shares in the Company

| Name of Shareholder | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Mr. Mofatraj Pukharaj Munot | 1,63,43,218 | 10.06 | 1,63,43,218 | 10.06 |
| Kalpataru Construction Private Limited | 2,23,50,000 | 13.76 | 2,33,50,000 | 14.37 |
| K. C. Holdings Private Limited | 2,07,76,884 | 12.79 | 2,11,42,600 | 13.02 |
| HDFC Trustee Company Limited | 1,58,58,733 | 9.76 | 1,59,65,131 | 9.83 |
| ICICI Prudential Value Discovery Fund | 1,44,15,501 | 8.87 | 1,29,26,520 | 7.96 |
| SBI Small Cap Fund | 1,48,56,020 | 9.15 | 1,32,05,365 | 8.13 |
| Kotak Mahindra Trustee Co Ltd A/C Kotak Multicap Fund | 1,00,91,584 | 6.21 | 94,71,561 | 5.83 |

## 17 (i) OTHER EQUITY (EXCLUDING NON CONTROLLING INTEREST)

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **Securities Premium :** | | |
| At the beginning of the year | 692.61 | 692.61 |
| **At the end of the year** | **692.61** | **692.61** |
| **Capital Reserve** | | |
| At the beginning of the year | 137.70 | 137.70 |
| **At the end of the year** | **137.70** | **137.70** |
| **Debentures Redemption Reserve :** | | |
| At the beginning of the year | 4.03 | 39.68 |
| Less : Transferred to General Reserve | 4.03 | 35.65 |
| **At the end of the year** | **-** | **4.03** |
| **Capital Redemption Reserve :** | | |
| At the beginning of the year | 1.16 | 1.16 |
| **At the end of the year** | **1.16** | **1.16** |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 17 (i) OTHER EQUITY (EXCLUDING NON CONTROLLING INTEREST) (CONTD..)

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **General Reserve :** | | |
| At the beginning of the year | 567.37 | 521.72 |
| Add : Transferred from Debenture Redemption Reserve | 4.03 | 35.65 |
| Add: Transfer from Retained Earnings | 10.00 | 10.00 |
| **At the end of the year** | **581.40** | **567.37** |
| **Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934 :** | | |
| At the beginning of the year | 1.38 | 1.17 |
| Add: Transfer from Retained Earnings | 0.26 | 0.21 |
| **At the end of the year** | **1.64** | **1.38** |
| **Statutory Reserve :** | | |
| At the beginning of the year | 0.26 | 0.26 |
| **At the end of the year** | **0.26** | **0.26** |
| **Retained Earnings :** | | |
| At the beginning of the year | 3,302.97 | 2,969.20 |
| Add : Profit for the year | 509.61 | 440.75 |
| Add : Acquisition of non-controlling interest | 12.14 | - |
| Less : Dividend paid | 113.71 | 96.77 |
| Less : Transfer to General Reserve | 10.00 | 10.00 |
| Less : Transfer to Reserve Fund as per section 45-IC of RBI Act | 0.26 | 0.21 |
| **At the end of the year** | **3,700.75** | **3,302.97** |
| **Other Comprehensive Income/ (Loss) :** | | |
| At the beginning of the year | (19.35) | 22.99 |
| Add: Other comprehensive income / (loss) for the year | 9.33 | (42.34) |
| **At the end of the year** | **(10.02)** | **(19.35)** |
| **TOTAL** | **5,105.50** | **4,688.13** |

## 17 (ii) NON CONTROLLING INTEREST

(₹ in Crores)

| Particulars | Name of subsidiaries | | | |
|---|---|---|---|---|
| | JMC Projects (India) Limited* | Fasttel Engenharia S.A. (Indirect Subsidiary) | Kalpataru IBN Omairah Company Limited | TOTAL |
| **Balance as at April 1, 2022** | 132.19 | 15.15 | (8.44) | 138.90 |
| Share of total comprehensive Income / (loss) for the year | 13.65 | (10.29) | (22.42) | (19.06) |
| Acquired under business combination | (140.41) | - | - | (140.41) |
| Exchange difference | - | (0.76) | - | (0.76) |
| Distribution of dividend | (5.43) | - | - | (5.43) |
| **Balance as at March 31, 2023** | **-** | **4.10** | **(30.86)** | **(26.76)** |
| Share of total comprehensive Income / (loss) for the year | - | 0.22 | 5.68 | 5.90 |
| Acquired under business combination | - | (4.32) | - | (4.32) |
| Exchange difference | - | - | - | - |
| Distribution of dividend | - | - | - | - |
| **Balance as at March 31, 2024** | **-** | **-** | **(25.18)** | **(25.18)** |
| **Proportion of Interest** | | | | |
| As at 31st March, 2024 | 0.00% | 0.00% | 35.00% | |
| As at 31st March, 2023 | 0.00% | 49.00% | 35.00% | |

Refer Note No. 52

202410180069S

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 18 (i) NON CURRENT BORROWINGS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current |
| **Secured (at amortised cost)** | | | | |
| Non-Convertible Redeemable Debentures | - | - | - | 75.00 |
| Term Loans | | | | |
| From Banks | 544.91 | 269.72 | 708.58 | 280.42 |
| From NBFC | 116.36 | 25.89 | 151.04 | 49.97 |
| Other Loans | 239.43 | 99.01 | 233.95 | - |
| **Unsecured (at amortised cost)** | | | | |
| Non-Convertible Redeemable Debentures | 786.50 | 236.50 | 423.00 | 150.00 |
| Less : Unamortised Transaction Cost of Borrowings | (3.71) | (3.48) | (3.63) | (1.07) |
| Amount disclosed under the head "Current Borrowing" (Refer note 18 (ii)) | - | (564.86) | - | (495.81) |
| Amount disclosed under the head 'Liabilities held for sales" | (235.95) | (62.78) | (298.11) | (58.51) |
| **TOTAL** | **1,447.54** | - | **1,214.83** | - |

### 18.1 Details of Debentures:

(₹ in Crores)

| Redemption Profile | As at 31st March, 2024 | As at 31st March, 2023 | Interest | Date of Allotment |
|---|---|---|---|---|
| **(a) Secured Non-Convertible Redeemable Debentures of one of the Subsidiary Company :** | | | | |
| Series III NCDs redeemable on 28.08.2023 | - | 75.00 | 9.95% | 28.08.2018 |
| **(b) Unsecured Non-Convertible Redeemable Debentures (NCD) :** | | | | |
| NCDs redeemable on 01.10.2027 | 150.00 | - | Repo rate + Margin | 03.10.2023 |
| NCDs redeemable on 05.02.2027 | 150.00 | - | 8.32% | 06.02.2024 |
| NCDs redeemable on 29.06.2026 | 300.00 | - | 8.07% | 28.06.2023 |
| Redeemable at face value : remaining 1 instalment due on 09.12.2025 | 99.00 | 99.00 | Repo rate + Margin | 09.12.2022 |
| NCDs redeemable on 04.11.2025 | 50.00 | 50.00 | Repo rate + Margin | 04.11.2022 |
| NCDs redeemable on 17.10.2025 | 37.50 | 37.50 | Repo rate + Margin | 17.10.2022 |
| Redeemable at face value : remaining 1 instalment due on 10.01.2025 | 100.00 | 200.00 | 6.15% | 12.01.2022 |
| NCDs redeemable on 13.12.2024 | 24.00 | 24.00 | 9.80% | 15.12.2021 |
| NCDs redeemable on 04.11.2024 | 50.00 | 50.00 | Repo rate + Margin | 04.11.2022 |
| NCDs redeemable on 17.10.2024 | 37.50 | 37.50 | Repo rate + Margin | 17.10.2022 |
| NCDs redeemable on 14.06.2024 | 25.00 | 25.00 | 9.80% | 15.12.2021 |
| NCDs redeemable on 15.12.2023 | - | 25.00 | 9.80% | 15.12.2021 |
| NCDs redeemable on 15.06.2023 | - | 25.00 | 9.80% | 15.12.2021 |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 18 (i) NON CURRENT BORROWINGS (CONTD..)

### 18.2 Term Loans from Banks, NBFC and Other Loans :

(a) ₹ 298.72 Crores (Previous Year ₹ 356.63 Crores) carries interest base rate + Spread charged by bank from time to time, is secured by

i) first charge on all movable and immovable assets and receivables except the project assets and all the intangibles of one of the subsidiary company.

ii) first charge by way of assignment or otherwise creation of security Interest in all the right, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in accordance with the provisions of the substitution agreement and the Concession Agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in the Project Documents.

iii) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower. Repayable in quarterly unequal instalments ending on January 31, 2028.

(b) ₹ 38.30 Crores (Previous Year ₹ 60.82 Crores) carries interest base rate + spread charged by bank from time to time, is secured by

i) first charge on all movable and immovable assets and receivables except the project assets and all the intangibles of one of the subsidiary company.

ii) first charge by way of assignment or otherwise creation of security interest in all the right, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in accordance with the provisions of the substitution agreement and the concession agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in the Project Documents.

iii) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower. Repayable in quarterly unequal instalments ending on March 31, 2026.

(c) Term loan amounting to ₹ 123.76 Crores (Previous Year ₹ 200.77 Crores) carries interest base rate + spread charged by bank from time to time, is secured by first charge on all movable and immovable assets except the project assets of one of the subsidiary company. Repayable in quarterly unequal instalments ending on December 31, 2026.

(d) ₹ 0.09 Crores (Previous Year ₹ 0.40 Crores) carries interest in range of 7.4% - 9.25% p.a. and is repayable in range of 1 to 38 equal monthly instalments along with interest. The Loan is secured by hypothecation of specific Vehicles.

(e) ₹ 15.00 Crores (Previous Year ₹ 75.00 Crores) carries interest of 8.95% p.a, linked to RBI repo rate secured by pari passu charges on movable and immovable fixed assets of transmission & distribution and infrastructure division of the Company to the extent of 1.25 times of outstanding facility. It is repayable in 16 quarterly instalments ending on June 01, 2024.

(f) Term loan from a bank amounting to ₹ 85.00 Crores (Previous Year ₹ 100.00 Crores) is secured exclusive charge on movable fixed assets funded out of the said facility. Term loan is repayable in 17 unequal quarterly instalments with July 29, 2027 as maturity date with varying interest rate linked to 3M MCLR of bank from time to time.

(g) Term loan from a bank amounting to ₹ 77.78 Crores (Previous Year ₹ 100.00 Crores) is secured exclusively by first charge on movable fixed assets (excluding assets been already charged on specific basis to exiting term lenders). Term loan is repayable in 18 equal quarterly instalments ending in September 7, 2027 as maturity date with varying interest rate linked to 1 Month T-bill from time to time*

(h) Term loan from a bank amounting to ₹ Nil Crores (Previous Year ₹ 1.18 Crores) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility.

(i) Term loan from a bank amounting to ₹ Nil Crores (Previous Year ₹ 17.50 Crores) is secured by first pari passu charge on entire movable fixed assets to the extent of 1.10 times of security cover of outstanding facility.

(j) Term loan from a bank amounting to ₹ Nil Crores (Previous Year ₹ 0.38 Crores) is secured exclusively by first charge on movable equipment funded out of the said facility.

(k) Term loan from a bank amounting to ₹ Nil Crores (Previous Year ₹ 5.00 Crores) is secured exclusively by first charge on movable fixed assets funded out of the said facility.

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 18 (i) NON CURRENT BORROWINGS (CONTD..)

(l) Term loan from a bank amounting to ₹ 1.95 Crores (Previous Year ₹ 2.84 Crores) is secured exclusively by first charge on movable equipment funded out of the said facility. Term loan is repayable in unequal monthly instalments with February 28, 2026 as maturity date with fixed interest rate.

(m) Term loan from a bank amounting to ₹ 8.71 Crores (Previous Year ₹ 11.92 Crores) is secured exclusively by first charge on movable equipment funded out of the said facility. Term loan is repayable in unequal monthly instalments with March, 2027 as maturity date with fixed interest rate.

(n) Term loan from a bank amounting to ₹ Nil Crores (Previous Year ₹ 47.50 Crores) is secured exclusive charge on specific movable fixed assets funded out of the said facility and DSRA of 10% of facility amount.

(o) Term loan from a bank amounting to ₹ Nil Crores (Previous Year ₹ 36.75 Crores) is secured exclusive charge on specific movable fixed assets funded out of the said facility and DSRA 10% of facility amount.

(p) Term loan from a bank amounting to ₹ Nil Crores (Previous Year ₹ 9.18 Crores) is secured exclusive charge on specific movable fixed assets funded out of the said facility and DSRA of 10% of facility amount.

(q) Term loan from NBFC amounting to ₹ Nil Crores (Previous Year ₹ 1.52 Crores) is secured by exclusive charge by way of hypothecation for equipment financed by them.

(r) Term loan from NBFC amounting to ₹ Nil Crores (Previous Year ₹ 6.25 Crores) is secured by first pari passu charge on entire movable fixed assets (excluding capital expenditure assets charged exclusively to corresponding capital expenditure lender) of the borrower providing minimum FACR of 1.25 times .

(s) Term loan from NBFC amounting to ₹ Nil Crores (Previous Year ₹ 6.25 Crores) is secured by first pari passu charge on entire movable fixed assets (excluding capital expenditure assets charged exclusively to corresponding capital expenditure lender) of the borrower providing minimum FACR of 1.25 times .

(t) ₹ 93.87 Crores (Previous Year ₹ 150.12 Crores) is secured by the assets at warehouses, including land and building, in Rajasthan. Term loans are repayable in balance 15-71 structured installments with varying interest rate linked to base rate of banks.

(u) Other Loans of ₹ 338.44 Crores (Previous Year ₹ 233.95 Crores) interest free loan is secured by pledge of Equity shares of Alipurduar Transmission Limited and Kohima Mariani Transmission Limited. The loan is repayable in 1 to 5 years.

(v) ₹ 111.88 Crores is secured against capital against specific assets purchased out of the proceeds of the loan and also secured by the corporate guarantee from the parent.

(w) ₹ 101.82 Crores is secured by the corporate guarantee from the parent.

## 18 (ii) CURRENT BORROWINGS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **Secured (at amortised cost)** | | |
| Working Capital Facilities from Banks | 1,756.10 | 1,847.12 |
| Current maturities of long term debt | 331.26 | 345.81 |
| **Unsecured (at amortised cost)** | | |
| Short Term Loans from Banks | 140.70 | 117.70 |
| Others | - | 7.00 |
| Current maturities of long term debt | 233.60 | 150.00 |
| ***TOTAL*** | ***2,461.66*** | ***2,467.63*** |

(a) Working Capital Facilities of the holding company of ₹ 1,720.13 Crores (Previous year ₹ 1,635.72 Crores) from Banks are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, book debts, bills receivable and all other movable assets on pari passu basis and also secured by movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission and distribution division and infrastructure division of Company. Working Capital Facilities carries interest in range of 5% to 10%.

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 18 (ii) CURRENT BORROWINGS (CONTD..)

(b) Working capital facilities of one of the Subsidiary of ₹ 35.97 Crores (Previous year ₹ 31.42 Crores) is secured by first charge on current assets and second charge on plant and equipments and immovable properties at Rajasthan and Gujarat of one of the Subsidiary Company.

(c) Working Capital and Equipment Financing Facilities of one of the Subsidiary of ₹ Nil Crores (Previous Year ₹ 179.98 Crores) from local banks and Exim banks are secured in favor of bankers by hypothecation of stocks, stores and spares, Clients receivables, newly movable assets acquired from Exim bank equipment loan, and Stand by letter of credit / corporate guarantee / personal guarantee from the shareholders and its affiliates. Working Capital Facilities carries interest in range of 8% to 24%.

## 19 TRADE PAYABLES*

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Others | 115.60 | 161.40 |
| **TOTAL** | **115.60** | **161.40** |
| **(ii) Current** | | |
| Total outstanding dues of micro enterprises and small enterprises | 224.89 | 153.40 |
| Others | 5,630.58 | 4,750.44 |
| **TOTAL** | **5,855.47** | **4,903.84** |

* Refer Note 54(i) for Trade payables ageing and Refer Note 40 for Related party Balances

All Trade payables are non interest bearing and current Trade payable are to be settled within normal operating cycle of the Company.

## 20 OTHER FINANCIAL LIABILITIES

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Deposit from Vendors | 5.16 | 6.06 |
| Additional concession fees | 423.71 | 387.11 |
| **TOTAL** | **428.87** | **393.17** |
| **(ii) Current** | | |
| Interest accrued but not due on borrowings | 36.74 | 16.30 |
| Interest Accrued and due on borrowings | - | 6.12 |
| Unpaid Dividend | 0.65 | 0.68 |
| Unclaimed matured deposits and interest accrued thereon | - | 0.02 |
| Deposit from Vendors | 470.00 | 235.67 |
| Creditors for capital expenditure * | 23.30 | 29.76 |
| Additional concession fees | 52.28 | 51.74 |
| Others** | 273.58 | 222.92 |
| **TOTAL** | **856.55** | **563.21** |

*Include current year dues to Micro and small enterprises of ₹ 1.17 Crores.

***Others mainly includes employee liabilities*

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 21 PROVISIONS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Employee benefits (Refer Note 38) | 45.58 | 35.97 |
| Performance Warranties (Refer Note 36) | 6.54 | 40.08 |
| **TOTAL** | **52.12** | **76.05** |
| **(ii) Current** | | |
| Employee benefits (Refer Note 38) | 16.26 | 16.06 |
| Performance Warranties (Refer Note 36) | 333.84 | 256.93 |
| Expected Loss on Long Term Contracts (Refer Note 36) | 78.95 | 103.82 |
| Major maintenance expense (Refer Note 36) | 14.17 | 14.17 |
| Others | 27.31 | 25.62 |
| **TOTAL** | **470.53** | **416.60** |

## 22 OTHER LIABILITIES

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(i) Non-Current** | | |
| Advance from Customers | - | 272.12 |
| Deposit from Customers | 0.35 | 0.25 |
| Deferred Income | 12.20 | 12.84 |
| Others | 11.53 | 41.30 |
| **TOTAL** | **24.08** | **326.51** |
| **(ii) Current** | | |
| Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1 & 11.2) | 703.26 | 600.62 |
| Advance from Customers (Contract liabilities) (Refer Note 11.1 & 11.2) | 3,611.96 | 2,767.10 |
| Statutory Liabilities | 318.19 | 243.34 |
| Deferred Income | 0.37 | 0.38 |
| Others | 3.13 | 1.86 |
| **TOTAL** | **4,636.91** | **3,613.30** |

## 23 REVENUE FROM OPERATIONS

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Revenue from Contracts with Customers | | |
| Sale of Products | | |
| Tower Parts & Components | 173.20 | 673.50 |
| Agro Commodities | 2.20 | 6.45 |
| Others | 156.52 | 173.18 |
| Income from EPC Contracts | 18,778.42 | 15,060.31 |
| Income from Services | 348.88 | 300.42 |
| Other Operating Income | | |
| Sale of Scrap | 139.29 | 113.74 |
| Export Benefits | 27.68 | 31.09 |
| Others | 0.24 | 2.75 |
| **TOTAL** | **19,626.43** | **16,361.44** |

Revenue as per geographical segment is disclosed in Note 47

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 23 REVENUE FROM OPERATIONS (CONTD..)

### Disaggregation of Revenue

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Transmission and Distribution | 7,827.50 | 6,016.13 |
| Building & Factories | 4,790.33 | 4,135.69 |
| Water | 3,511.47 | 2,621.90 |
| Oil & Gas | 821.82 | 984.84 |
| Railways | 1,424.91 | 1,652.04 |
| Urban Infra | 704.60 | 402.97 |
| Others* | 545.80 | 547.87 |

*Other mainly includes revenue from toll collection, sale of electricity and real estate units

## 24 OTHER INCOME

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Interest Income | | |
| On financial assets carried at amortised cost | | |
| On Fixed Deposits | 22.96 | 10.57 |
| On Loans | 11.41 | 12.15 |
| Others | 13.35 | 5.85 |
| On Non-Financial Assets | 10.08 | 5.48 |
| Dividend Income | | |
| Dividend from investment measured at FVTPL | - | 0.08 |
| Other non operating income | | |
| Rent Income | 0.72 | 6.07 |
| Grant Received | 0.18 | - |
| Insurance Claims | 1.43 | 1.32 |
| Liabilities Written Back | 0.93 | 0.57 |
| Miscellaneous Income | 3.49 | 1.54 |
| Other Gains and Losses | | |
| Gain / (Loss) on Investments designated at FVTPL | 0.23 | 0.14 |
| Gain / (Loss) on disposal of property, plant and equipments (net) | (2.13) | (6.65) |
| Other | 1.34 | 2.58 |
| **TOTAL** | **63.99** | **39.70** |

## 25 COST OF MATERIALS CONSUMED

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Raw Materials | | |
| Steel | 832.71 | 788.27 |
| Zinc | 146.64 | 157.11 |
| Components & Accessories, etc. | 2,720.66 | 2,099.65 |
| Agricultural Residues | 51.01 | 41.67 |
| Construction Materials | 4,436.37 | 3,897.07 |
| **TOTAL** | **8,187.39** | **6,983.77** |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 26 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **STOCK AT BEGINNING OF THE YEAR** | | |
| Finished Goods | 131.75 | 110.73 |
| Semi-Finished Goods | 24.99 | 33.13 |
| Scrap | 6.60 | 6.02 |
| | **163.34** | **149.88** |
| **STOCK AT CLOSE OF THE YEAR** | | |
| Finished Goods | 102.00 | 131.75 |
| Semi-Finished Goods | 37.15 | 24.99 |
| Scrap | 6.48 | 6.60 |
| Agro Commodities | | - |
| | **145.63** | **163.34** |
| **(INCREASE) / DECREASE IN INVENTORY** | **17.71** | **(13.46)** |

## 27 EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Salaries, Wages, Bonus | 1,439.52 | 1,194.08 |
| Contributions to Provident and Other Funds | 185.13 | 159.98 |
| Employees' Welfare Expenses | 92.98 | 92.82 |
| **TOTAL** | **1,717.63** | **1,446.88** |

## 28 FINANCE COSTS

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Interest Expenses | 491.19 | 440.45 |
| Other Borrowing Costs | 19.49 | 18.22 |
| Exchange Rate Variation | 7.40 | 8.08 |
| **TOTAL** | **518.08** | **466.75** |

## 29 OTHER EXPENSES

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Job Charges | 52.11 | 40.81 |
| Power and Fuel | 26.97 | 25.92 |
| Repairs and Maintenance : | | |
| Plant and Machinery | 8.33 | 4.48 |
| Buildings | 4.33 | 9.68 |
| Others | 6.24 | 5.12 |
| Freight and Forwarding Expenses | 199.44 | 247.51 |
| Stores, Spares and Tools Consumed | 18.97 | 17.24 |
| Vehicle / Equipment Running and Hire Charges | 14.07 | 17.61 |
| Testing Expenses | 2.21 | 1.58 |
| Pollution Control Expenses | 1.64 | 2.12 |
| Insurance | 85.81 | 59.21 |
| Rent | 100.27 | 62.69 |
| Rates, Taxes and Duties | 84.25 | 84.02 |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 29 OTHER EXPENSES (CONTD..)

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Stationery, Printing and Drawing Expenses | 15.05 | 9.84 |
| Telecommunication Expenses | 9.19 | 9.25 |
| Travelling Expenses | 127.57 | 122.18 |
| Legal and Professional Expenses | 179.60 | 170.80 |
| Bank Commission and Charges (including ECGC Premium) | 185.80 | 154.42 |
| Allowance for Expected Credit Losses | 81.70 | (10.27) |
| Impairment loss on asset held for sale | 0.03 | 0.05 |
| Loss / (Gain) on Exchange Rate Variation | 97.34 | 5.02 |
| Sitting Fees and Commission to Non-Executive Directors | 7.67 | 9.00 |
| Corporate Social Responsibility Expenses | 9.08 | 9.46 |
| Carbon Credit Expenses | 0.16 | 0.01 |
| Fair Value changes of Financial Instrument | - | (34.43) |
| Miscellaneous Expenses * | 161.87 | 135.08 |
| **TOTAL** | **1,479.70** | **1,158.40** |

* Includes ₹ 25.50 Crore as contribution towards Electoral bond given to Bharatiya Janata Party.

## 30 (a) Particulars of Subsidiaries included in Consolidation

| Name of Subsidiaries | with effect from | Country of Incorporation | % voting power As at 31st March, 2024 | % voting power As at 31st March, 2023 |
|---|---|---|---|---|
| **Subsidiaries Held Directly** | | | | |
| Adeshwar Infrabuild Limited | August 11, 2009 | India | 100.00% | 100.00% |
| Amber Real Estate Limited | May 16, 2008 | India | 100.00% | 100.00% |
| Energylink India Limited | January 30, 2007 | India | 100.00% | 100.00% |
| Shree Shubham Logistics Limited | March 19, 2007 | India | 100.00% | 100.00% |
| Kalpataru Metfab Private Limited | March 31, 2015 | India | 100.00% | 100.00% |
| Brij Bhoomi Expressway Private Limited # | December 6, 2010 | India | 100.00% | 100.00% |
| JMC Mining and Quarries Limited # | February 6, 2007 | India | 100.00% | 100.00% |
| Vindhyachal Expressway Private Limited # | January 16, 2012 | India | 100.00% | 100.00% |
| Wainganga Expressway Private Limited # | June 02, 2011 | India | 100.00% | 100.00% |
| Kalpataru Power Transmission (Mauritius) Limited | January 8, 2009 | Mauritius | 100.00% | 100.00% |
| Kalpataru Power Transmission - USA, Inc | September 11, 2009 | USA | 100.00% | 100.00% |
| LLC Kalpataru Power Transmission Ukraine | November 6, 2012 | Ukraine | 100.00% | 100.00% |
| Kalpataru IBN Omairah Company Limited | June 01, 2015 | Saudi Arabia | 65.00% | 65.00% |
| Kalpataru Power Transmission Sweden AB | January 28, 2019 | Sweden | 100.00% | 100.00% |
| Kalpataru Power Senegal SARL | August 10, 2020 | Senegal | 100.00% | 100.00% |
| Kalpataru Power do Brasil Participações Ltda | January 27, 2021 | Brazil | 100.00% | 100.00% |
| Kalpataru Power Chile SpA | February 28, 2022 | Chile | 100.00% | 100.00% |
| **Subsidiaries Held Indirectly** | | | | |
| Saicharan Properties Limited | June 30, 2009 | India | 100.00% | 100.00% |
| Kalpataru Power DMCC | August 3, 2011 | UAE | 100.00% | 100.00% |
| Punarvasu Financial Services Private Limited | December 31, 2014 | India | 100.00% | 100.00% |
| Linjemontage i Grästorp Aktiebolag | April 29, 2019 | Sweden | 100.00% | 100.00% |
| Linjemontage Service Nordic AB | April 29, 2019 | Sweden | 100.00% | 100.00% |
| Linjemontage AS | April 29, 2019 | Norway | 100.00% | 100.00% |
| Fasttel Engenharia S.A.* | April 7, 2021 | Brazil | 100.00% | 51.00% |

#During the previous year, the Company has amalgalated JMC Projects (India) Limited ("Erstwhile JMC") with the Company w.e.f January 4, 2023. Accordingly, Ersthile JMC ceased to exist from the said date and all the direct subsidiaries of Erstwhile JMC became direct subsidiaries of the Company.

*Kalpataru Power Do Brasil Participacoes Ltda, a wholly owned subsidiary company, ("KPBPL") on July 10, 2023 has acquired remaining 49% equity stake in Fasttel Engenharia S.A., Brazil ("Fasttel") and consequently Fasttel became wholly owned subsidiary of KPBPL from the said date.

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 30 (b) Particulars of Joint Venture Entities included in Consolidation

| Name of Joint Venture | with effect from | Country of Incorporation | % voting power As at 31st March, 2024 | % voting power As at 31st March, 2023 |
|---|---|---|---|---|
| Kurukshetra Expressway Private Limited | March 29, 2010 | India | 49.57% | 49.57% |

The above Joint Ventures have been accounted for in these consolidated financial statements using Equity Method and other applicable guidelines.

**(c) Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS.**

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Non-current Assets | 1,120.59 | 995.45 |
| Current Assets | 45.99 | 3.66 |
| Non-current Liabilities | 679.20 | 812.45 |
| Current Liabilities | 756.38 | 454.27 |
| **Net Assets** | **(269.00)** | **(267.61)** |
| The above amounts of Assets and Liabilities include the following : | | |
| Cash and Cash Equivalents | 43.90 | 2.34 |
| Current Financial Liabilities (excluding trade payables and provisions) | 752.80 | 451.79 |
| Non-current Financial Liabilities (excluding trade payables and provisions) | 625.69 | 758.94 |
| Contingent Liabilities | 45.99 | 45.99 |

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Revenue | - | - |
| Profit / (Loss) for the year | (1.32) | (1.61) |
| Other Comprehensive Income | - | - |
| Total Comprehensive Income / (Loss) for the year | (1.32) | (1.61) |
| Dividends received from the Joint Ventures during the year | - | - |
| **The above profit / (loss) for the year include the following :** | | |
| Depreciation and amortisation expenses | - | - |
| Interest income | - | - |
| Finance costs | - | - |
| Income tax expense (net) | - | - |

**Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financials statements :**

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Carrying amount of the Group's interest in the Joint Venture | - | - |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 31 RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Profit Before Tax | 701.19 | 641.52 |
| Income tax calculated at 25.168% (Previous year 25.168%) | 176.48 | 161.46 |
| Tax effect of adjustment to reconcile reported income tax expenses | | |
| Tax incentives / concessions / disallowance | 7.72 | 1.23 |
| Deferred tax not recognised on unused tax losses | 0.65 | 38.25 |
| Difference in tax rates and others | 0.44 | 5.56 |
| **Income tax expenses recognized in the statement of profit and loss** | **185.29** | **206.50** |

## 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### Capital Management

The group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

(₹ in Crores)

| Gearing ratio | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Debt* | 4,215.12 | 4,043.78 |
| Cash and Cash Equivalents | (1,009.33) | (956.43) |
| **NET DEBT** | **3,205.79** | **3,087.35** |
| Total Equity | 5,112.81 | 4,693.86 |
| **NET DEBT TO EQUITY RATIO** | **0.63** | **0.66** |

*Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term debt.

### Financial Instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. The Group consider that the carrying values of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **Financial Assets** | | |
| **Measured at Fair Value through Profit and Loss** | | |
| (i) Investments - (Level I) | - | 4.63 |
| (ii) Investments under held for sale (Level II)* | 253.58 | 233.95 |
| (iii) Derivative Contracts- (Level-II)* | - | 15.04 |
| **Measured at Amortized Cost #** | | |
| (i) Trade receivables | 5,941.26 | 5,444.86 |
| (ii) Loans | 62.82 | 57.52 |
| (iii) Cash and cash equivalents | 1,010.21 | 957.51 |
| (iv) Other balances with Bank | 22.66 | 103.44 |
| (v) Others | 660.51 | 564.32 |
| | **7,951.04** | **7,381.27** |
| **Financial Liabilities** | | |
| **Measured at Fair Value through Profit and Loss** | | |
| (i) Derivative Contracts- (Level-II)* | 24.19 | 1.00 |
| **Measured at Amortised Cost #** | | |
| (i) Borrowings | 4,207.93 | 4,039.09 |
| (ii) Trade payables | 5,976.88 | 5,070.89 |
| (iii) Other financial liabilities | 1,441.07 | 1,134.98 |
| | **11,650.07** | **10,245.96** |

*Fair value measured at discounted cashflows

# includes financial assets and financials liabilities of non current assets held for sale

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

### Financial Risk Management

### Financial Risk factors

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

### Market Risk

The group operates internationally and a major portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The group holds derivative financial instruments such as foreign exchange forward and commodity contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the group's operations are affected as the rupee appreciates / depreciates against these currencies.

The following table analyses foreign currency risk from financial instruments as at March 31, 2024

(₹ in Crores)

| Particulars | USD | Euro | Others | Total |
|---|---|---|---|---|
| Cash & Cash Equivalents | 1.65 | 0.33 | 3.19 | 5.17 |
| Trade Receivables | 1,918.62 | - | 555.25 | 2,473.87 |
| Other Financials Assets | - | 8.95 | 35.62 | 44.57 |
| **Total Asset** | **1,920.27** | **9.28** | **594.06** | **2,523.61** |
| Borrowings | 392.05 | - | 13.02 | 405.07 |
| Trade Payables | 1,185.42 | 80.41 | 480.66 | 1,746.49 |
| Other Financial Liabilities | 23.24 | 1.62 | 32.32 | 57.18 |
| **Total Liabilities** | **1,600.71** | **82.03** | **526.00** | **2,208.74** |
| **Net Assets / (Liabilities)** | **319.56** | **(72.75)** | **68.06** | **314.87** |

The following table analyses foreign currency risk from financial instruments as at March 31, 2023

(₹ in Crores)

| Particulars | USD | Euro | Others | Total |
|---|---|---|---|---|
| Cash & Cash Equivalents | 0.56 | 0.43 | 6.74 | 7.73 |
| Trade Receivables | 1,649.05 | - | 657.12 | 2,306.17 |
| Other Financials Assets | - | - | 4.04 | 4.04 |
| **Total Asset** | **1,649.61** | **0.43** | **667.90** | **2,317.94** |
| Borrowings | 172.66 | - | - | 172.66 |
| Trade Payables | 911.47 | 18.87 | 648.17 | 1,578.51 |
| Other Financials Liabilities | 9.84 | 0.26 | 18.37 | 28.47 |
| **Total Liabilities** | **1,093.97** | **19.13** | **666.54** | **1,779.64** |
| **Net Assets / (Liabilities)** | **555.64** | **(18.70)** | **1.36** | **538.30** |

The group is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of unhedged USD and Euro is given below:

### Sensitivity Analysis

For the year ended March 31, 2024 and March 31, 2023, increase / decrease of 5% in the exchange rate between the Indian rupee and USD / Euro would impact group's profit before tax by approximately 1.07% and 0.55% respectively. Sensitivity rate of 5% is used while reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rate.

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

**Derivative Financial Instruments**

The group holds derivative financial instruments such as foreign currency forward contracts and commodity future contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in price of commodities. The counter party for these contracts is generally multinational banks, financial institution or exchange. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Mark to Market gain or loss on derivative instruments is part of other current financial assets or liabilities.

**As at March 31, 2024**

| Outstanding Contracts | Average Exchange Rate (in equivalent ₹) | Amount in Foreign currency (In Crores) | Nominal Amount (₹ in Crores) | Marked to Market (MTM) Value (₹ in Crores) |
|---|---|---|---|---|
| **Cash Flow Hedges (Routed through OCI)** | | | | |
| **Sell USD Buy INR** | | | | |
| Maturing less than 3 months | 83.71 | USD 2.78 | 232.85 | 0.47 |
| Maturing in 3 months to 6 months | 84.77 | USD 1.81 | 153.31 | 1.60 |
| Maturing in 6 months to 9 months | 84.32 | USD 3.75 | 315.77 | 0.23 |
| Maturing in 9 months to 12 months | 85.57 | USD 3.47 | 296.78 | 3.14 |
| Maturing more than 12 months | 91.32 | USD 4.92 | 448.89 | 15.97 |
| **Total / Average** | **86.58** | **USD 16.72** | **1,447.61** | **21.41** |
| **Sell INR Buy USD** | | | | |
| Maturing less than 3 months | 84.08 | USD 1.00 | 84.08 | 0.13 |
| **Total / Average** | **84.08** | **USD 1.00** | **84.08** | **0.13** |
| **Buy EUR Sell USD** | | | | |
| Maturing less than 3 months | 90.78 | EUR 0.55 | 49.57 | (0.29) |
| Maturing in 3 months to 6 months | 91.03 | EUR 0.33 | 29.90 | (0.19) |
| **Total / Average** | **90.87** | **EUR 0.87** | **79.47** | **(0.48)** |
| **Other Hedges (Routed through Profit & Loss)** | | | | |
| **Sell USD Buy INR** | | | | |
| Maturing less than 3 months | 83.13 | USD 2.14 | 178.09 | (0.84) |
| Maturing in 3 months to 6 months | 84.49 | USD 1.04 | 87.52 | 0.65 |
| Maturing in 6 months to 9 months | 84.58 | USD 0.34 | 28.76 | 0.09 |
| Maturing in 9 months to 12 months | 86.25 | USD 1.71 | 147.80 | 2.62 |
| More than 12 Months | 86.90 | USD 0.68 | 59.47 | 1.36 |
| **Total / Average** | **84.79** | **USD 5.92** | **501.63** | **3.88** |
| **Sell USD Buy EUR** | | | | |
| Maturing less than 3 months | 90.28 | EUR 0.30 | 27.20 | (0.12) |
| Maturing in 3 months to 6 months | 91.04 | EUR 0.04 | 3.34 | (0.02) |
| **Total / Average** | **90.37** | **EUR 0.34** | **30.54** | **(0.14)** |
| **Sell USD Buy CLP** | | | | |
| Maturing in 3 months to 6 months | 0.09 | CLP 1,387.25 | 129.28 | (11.59) |
| Maturing in 9 months to 12 months | 0.09 | CLP 267.80 | 25.02 | (2.29) |
| More than 12 Months | 0.09 | CLP 2,139.33 | 196.00 | (14.65) |
| **Total / Average** | **0.09** | **CLP 3,794.38** | **350.30** | **(28.52)** |
| **Buy USD Sell INR** | | | | |
| Maturing less than 3 months | 83.23 | USD 0.37 | 30.84 | 0.08 |
| Maturing in 3 months to 6 months | 83.65 | USD 1.92 | 160.35 | 0.41 |
| **Total / Average** | **83.59** | **USD 2.29** | **191.19** | **0.49** |
| **Sell EURO Buy INR** | | | | |
| Maturing less than 3 months | 92.19 | EUR 0.94 | 86.42 | 2.00 |
| **Total / Average** | **92.19** | **EUR 0.94** | **86.42** | **2.00** |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

| Outstanding Contracts | Average Exchange Rate (in equivalent ₹) | Amount in Foreign currency (In Crores) | Nominal Amount (₹ in Crores) | Marked to Market (MTM) Value (₹ in Crores) |
|---|---|---|---|---|
| **Sell BRL Buy USD** | | | | |
| Maturing less than 3 months | 16.41 | BRL 0.48 | 7.82 | (0.04) |
| Maturing in 3 months to 6 months | 16.23 | BRL 0.48 | 7.82 | (0.06) |
| Maturing in 6 months to 9 months | 16.06 | BRL 0.49 | 7.82 | (0.08) |
| Maturing in 9 months to 12 months | 15.90 | BRL 0.49 | 7.82 | (0.10) |
| **Total / Average** | **16.15** | **BRL 1.94** | **31.28** | **(0.29)** |
| **Buy EUR Sell SEK** | | | | |
| Maturing less than 3 months | 92.92 | EUR 0.02 | 1.65 | (0.05) |
| **Total / Average** | **92.92** | **EUR 0.02** | **1.65** | **(0.05)** |
| **Buy SEK Sell CHF** | | | | |
| Maturing in 3 months to 6 months | 7.76 | SEK 0.41 | 3.19 | 0.00 |
| Maturing in 6 months to 9 months | 7.75 | SEK 0.59 | 4.58 | (0.02) |
| More than 12 months | 7.55 | SEK 0.11 | 0.82 | 0.00 |
| **Total / Average** | **7.74** | **SEK 1.11** | **8.59** | **(0.01)** |
| **Cash Flow Hedges (Routed through OCI)** | | | | |
| **Buy SEK Sell EUR** | | | | |
| Maturing in 3 months to 6 months | 8.01 | SEK 1.35 | 10.83 | (0.24) |
| Maturing in 6 months to 9 months | 7.99 | SEK 1.69 | 13.53 | (0.27) |
| Maturing in 9 months to 12 months | 7.98 | SEK 4.52 | 36.09 | (0.57) |
| Maturing less than 3 months | 7.84 | SEK 7.54 | 59.09 | (0.07) |
| **Total / Average** | **7.91** | **SEK 15.11** | **119.54** | **(1.15)** |
| **Buy SEK Sell USD** | | | | |
| Maturing in 6 months to 9 months | 7.74 | SEK 3.45 | 26.68 | 0.50 |
| **Total / Average** | **7.74** | **SEK 3.45** | **26.68** | **0.50** |
| **Buy USD Sell SEK** | | | | |
| Maturing less than 3 months | 84.37 | USD 0.32 | 27.00 | (0.50) |
| **Total / Average** | **84.37** | **USD 0.32** | **27.00** | **(0.50)** |

**As at March 31, 2023**

| Outstanding Contracts | Average Exchange Rate (in equivalent ₹) | Amount in Foreign currency (In Crores) | Nominal Amount (₹ in Crores) | Marked to Market (MTM) Value(₹ in Crores) |
|---|---|---|---|---|
| **Cash Flow Hedges (Routed through OCI)** | | | | |
| **Sell USD Buy INR** | | | | |
| Maturing less than 3 months | 81.46 | USD 2.78 | 226.53 | (2.92) |
| Maturing in 3 months to 6 months | 81.64 | USD 2.36 | 192.94 | (3.20) |
| Maturing in 6 months to 9 months | 82.14 | USD 2.70 | 222.11 | (3.56) |
| Maturing in 9 months to 12 months | 82.91 | USD 3.12 | 258.59 | (3.33) |
| Maturing more than 12 months | 87.82 | USD 11.32 | 994.04 | (2.76) |
| **Total / Average** | **85.00** | **USD 22.29** | **1,894.22** | **(15.76)** |
| **Buy INR Sell USD** | | | | |
| Maturing less than 3 months | 82.27 | USD 0.31 | 25.48 | 0.03 |
| **Total / Average** | **82.27** | **USD 0.31** | **25.48** | **0.03** |
| **Buy EUR Sell USD** | | | | |
| Maturing less than 3 months | 89.43 | USD 1.45 | 129.63 | 0.48 |
| **Total / Average** | **89.43** | **USD 1.45** | **129.63** | **0.48** |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

| Outstanding Contracts | Average Exchange Rate (in equivalent ₹) | Amount in Foreign currency (In Crores) | Nominal Amount (₹ in Crores) | Marked to Market (MTM) Value(₹ in Crores) |
|---|---|---|---|---|
| **Other Hedges (Routed through Profit & Loss)** | | | | |
| **Sell USD Buy INR** | | | | |
| Maturing less than 3 months | 81.46 | USD 2.36 | 192.38 | (2.31) |
| Maturing in 3 months to 6 months | 80.76 | USD 2.71 | 219.22 | (5.93) |
| Maturing in 6 months to 9 months | 80.72 | USD 0.75 | 60.54 | (2.07) |
| Maturing in 9 months to 12 months | 81.76 | USD 1.40 | 114.47 | (3.15) |
| More than 12 Months | 84.97 | USD 2.11 | 179.56 | (1.23) |
| **Total / Average** | **82.04** | **USD 9.34** | **766.17** | **(14.69)** |
| **Sell EUR Buy USD** | | | | |
| Maturing less than 3 months | 81.83 | USD 0.07 | 5.72 | 0.00 |
| **Total / Average** | **81.83** | **USD 0.07** | **5.72** | **0.00** |
| **Buy USD Sell INR** | | | | |
| Maturing less than 3 months | 83.42 | USD 2.36 | 196.96 | (1.01) |
| **Total / Average** | **83.42** | **USD 2.36** | **196.96** | **(1.01)** |
| **Sell EURO Buy INR** | | | | |
| More than 12 Months | 92.19 | EUR 0.94 | 86.42 | (1.09) |
| **Total / Average** | **92.19** | **EUR 0.94** | **86.42** | **(1.09)** |
| **Buy CHF Sell SEK** | | | | |
| Maturing less than 3 months | 89.71 | 0.08 CHF | 7.04 | (0.02) |
| Maturing in 3 months to 6 months | 91.53 | 0.03 CHF | 3.19 | 0.00 |
| Maturing in 9 months to 12 months | 92.60 | 0.01 CHF | 0.94 | 0.00 |
| **Total / Average** | **90.46** | **0.12 CHF** | **11.17** | **(0.02)** |
| **Buy EURO Sell SEK** | | | | |
| Maturing less than 3 months | 83.45 | EUR 0.07 | 6.21 | (0.44) |
| Maturing in 3 months to 6 months | 87.90 | EUR 0.03 | 2.69 | (0.05) |
| Maturing in 9 months to 12 months | 87.42 | EUR 0.00 | 0.09 | (0.00) |
| **Total / Average** | **84.77** | **SEK 0.11** | **8.99** | **(0.49)** |

### Reconciliation of Hedge Reserve

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Balance at the beginning of the year | (12.01) | 46.07 |
| Gain / (Loss) recognised in OCI during the year | 11.37 | (58.08) |
| Less: Tax impact on above | (0.34) | (3.20) |
| Less: Non Controlling Interest | (6.41) | (6.41) |
| Balance at the end of the year (Gross) | (0.64) | (12.01) |
| **Balance at the end of the year (Net of Tax)** | **6.11** | **(2.40)** |

### Loan and Borrowings: Financial Covenants

The group is required to comply with the few financial covenants as per terms of respective sanctions. In case of breach of financial covenants, there can be adverse impact.

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers , investment securities and other receivables.

### Trade receivables and other receivable

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. Credit risk in respect of other receivables mainly comprises of loan to components which are managed by the group, by way of assessing financial condition, current economic trends and ageing of other receivables . The group considers the probability of default and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the group compares the risk of default occurring on financial assets as at the reporting date.

The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice.

**Summary of the group's exposure to credit risk by age of the outstanding from various customers is as follows:**

(₹ in Crores)

| Particulars | Undisputed Trade Receivable As at | | Disputed Trade Receivable As at | |
|---|---|---|---|---|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| Not Due | 3,241.62 | 3,308.92 | 44.61 | 16.55 |
| Less than 6 months | 1,668.84 | 1,417.87 | 3.65 | 0.23 |
| From 6 months to 1 year | 366.06 | 231.21 | - | 5.04 |
| From 1 year to 2 years | 292.88 | 207.98 | 19.10 | 20.30 |
| From 2 year to 3 years | 108.66 | 132.68 | 34.53 | 22.81 |
| Above 3 years* | 193.07 | 75.66 | 160.21 | 152.05 |
| | **5,871.13** | **5,374.32** | **262.10** | **216.98** |

*Includes Trade receivable amounting to ₹ 13.38 Crores (Previous year ₹ 13.22 Crores) which have significant increase in credit risk.

### Expected credit loss assessment for customers

The Group has used a practical expedient by computing the allowance for expected credit losses for trade receivables on a provision matrix.

The company estimates the following provision matrix at the reporting date:

| Particulars | Expected Credit Loss % | |
|---|---|---|
| | As at 31st March, 2024 | As at 31st March, 2023 |
| Upto 180 days | 0.00% | 0.00% |
| From 181 days to 1 year | 2.13% | 2.13% |
| Above 1 year | 8.5% to 25.50% | 8.5% to 25.50% |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(₹ in Crores)

| Particulars | 2023-24 | |
|---|---|---|
| | Trade receivable | Contract Assets |
| **Balance as at 1st April, 2023** | **151.26** | **17.05** |
| Impairment loss recognized (net) | 45.63 | 34.29 |
| **Balance as at 31st March, 2024** | **196.89** | **51.34** |

(₹ in Crores)

| Particulars | 2022-23 | |
|---|---|---|
| | Trade receivable | Contract Assets |
| **Balance as at 1st April, 2022** | **174.57** | **26.70** |
| Impairment loss recognized (net) | (23.31) | (9.65) |
| **Balance as at 31st March, 2023** | **151.26** | **17.05** |

Amount which are expected by Company to be recovered or settled after twelve months in respect of due trade receivable related to long term contracts is amounting to ₹ 219.17 Crores (Previous year ₹ 115.45 Crores)

**Security Deposits given to Lessors**

The Company has given security deposit to lessors for premises leased by the Company as at March 31,2024 and March 31, 2023. The Company monitors the credit worthiness of such lessors where the amount of security deposit is material.

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

**Cash and Cash Equivalents**

The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

In addition, group is also exposed to credit risk in relation to corporate guarantee / letter of comfort (LOC) given to banks by the group. The company's exposure in this respect has been disclosed in Note 34.

**Loans, investments in group companies**

During the financial year 21-22, Kurukshetra Expressway Private Limited ("KEPL" or "Concessionaire"), a Joint venture (49.57%) of the Company, issued a notice of termination of Concession Agreement ("CA") vide letter dated October 7, 2021 to the National Highway Authority of India ("NHAI") on account of continuous disruption and blockade of traffic on National Highway-71 due to farmer agitation with stoppage of toll collection. The provisions of Concession Agreement provides for termination where events which are not in control of KEPL, and obliges NHAI paying KEPL for repayment of Debt Due along with Adjusted Equity after necessary adjustments. The Company made provision for Expected credit loss of ₹ 95.87 Crores against loans given to KEPL / others and ₹ 39.77 Crores towards potential loss due to shortfall undertaking.

202410180070 3

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

### Liquidity Risk

**The Table below provides details regarding the contractual maturities of significant liabilities**

(₹ in Crores)

| Particulars | As at 31st March, 2024 | | | As at 31st March, 2023 | | |
|---|---|---|---|---|---|---|
| | Less than 1 year | More than 1 year | Total | Less than 1 year | More than 1 year | Total |
| **Financial Liabilities** | | | | | | |
| (i) Trade Payables | 5,861.28 | 115.60 | 5,976.88 | 4,909.49 | 161.40 | 5,070.89 |
| (ii) Borrowings | 2,763.87 | 1,451.25 | 4,215.12 | 2,825.33 | 1,218.46 | 4,043.79 |
| (iii) Other financial liabilities | 990.63 | 474.63 | 1,465.26 | 688.01 | 447.97 | 1,135.98 |
| **TOTAL** | | | **11,657.26** | | | **10,250.66** |

**Notes :**

1. Includes liabilities pertaining to Non-current assets held for sale
2. The above table does not include liability on account of future interest obligation.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

### Interest Rate Sensitivity Analysis

For the year ended March 31, 2024 and March 31, 2023, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact group's profit before tax by approximately 2.99% and 4.50% respectively.

### Commodity Price Risk

The group is affected by the price volatility of certain commodities like Steel, Zinc, Copper and Aluminum. Its operating activities require the on-going purchase or continuous supply of these materials. The group holds derivative financial instruments such as commodity future contract to mitigate the risk of changes in Zinc and Aluminum prices.

The sensitivity analysis have been determined based on the exposure to changes in commodity prices. The analysis is prepared assuming the quantity of exposure outstanding at the end of the reporting period was outstanding for the whole year. A 5% increase or decrease is used when reporting commodity price risk internally to key management personnel and represents management's assessment of the reasonable possible changes in commodity prices and the impact of the possible change on the group's profit before tax is 9.72 % for FY 2023-24 and 13.63 % for FY 2022-23.

### Exposure As at March 31, 2024

(₹ in Crores)

| Commodity | Fixed/variable | Open Exposure | Value at Risk on price variation of 5 % | |
|---|---|---|---|---|
| | | | increase | Decrease |
| Aluminum | Fixed Price Contracts | 113.70 | 5.69 | (5.69) |
| Zinc | Fixed Price Contracts | 71.94 | 3.60 | (3.60) |
| Steel | Fixed Price Contracts | 1,135.39 | 56.77 | (56.77) |
| Copper | Fixed Price Contracts | 42.45 | 2.12 | (2.12) |
| **TOTAL** | | **1,363.48** | **68.17** | **(68.17)** |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD..)

**Exposure As at March 31, 2023**

(₹ in Crores)

| Commodity | Fixed/variable | Open Exposure | Value at Risk on price variation of 5 % | |
|---|---|---|---|---|
| | | | increase | Decrease |
| Aluminum | Fixed Price Contracts | 408.30 | 20.41 | (20.41) |
| Zinc | Fixed Price Contracts | 75.43 | 3.77 | (3.77) |
| Steel | Fixed Price Contracts | 1,156.11 | 57.81 | (57.81) |
| Copper | Fixed Price Contracts | 109.67 | 5.48 | (5.48) |
| **TOTAL** | | **1,749.51** | **87.48** | **(87.48)** |

## 33 DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE GROUP AGAINST BORROWINGS.

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Property, Plant and Equipments (including CWIP) | 1,732.41 | 1,534.20 |
| Intangible Assets | 1,348.02 | 1,397.65 |
| Inventories | 1,217.04 | 1,070.96 |
| Financial Assets (Non-current & current) | | |
| Trade Receivables | 5,698.81 | 5,176.62 |
| Loans | - | - |
| Cash & Bank Balances | 829.76 | 754.01 |
| Other Balances with Banks | 20.36 | 99.00 |
| Other Assets | 7,443.44 | 5,927.68 |
| **TOTAL** | **18,289.84** | **15,960.12** |

## 34 CONTINGENT LIABILITIES IN RESPECT OF :

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| (a) Bank guarantees | 36.59 | 36.59 |
| (b) Claims against the group not acknowledged as debt | 32.46 | 41.55 |
| (c) Demands by Service Tax / Excise / Income Tax and other tax / revenue authorities, under disputes | 140.58 | 202.22 |

## 35 CAPITAL & OTHER COMMITMENTS

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Estimated amount of contracts remaining to be executed for tangible capital assets and not provided for (net of advances) | 210.69 | 124.27 |

202410180070 4

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 36 THE DISCLOSURE AS REGARDS TO PROVISION AS PER IND AS 37 " PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

(₹ in Crores)

| A Particulars | Major Maintenance* | | Performance Warranties | |
|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Carrying amount at the beginning of the year | 39.35 | 39.35 | 297.01 | 280.49 |
| Add : Provision / Expenses during the year (net) | - | 43.54 | 165.76 | 109.27 |
| Less : Utilisation / Reversal during the year | 9.50 | 43.54 | 122.39 | 92.75 |
| Less : Discounting during the year | - | - | - | - |
| **CARRYING AMOUNT AT THE END OF THE YEAR** | **29.85** | **39.35** | **340.38** | **297.01** |

*Carrying amount as at 31st March 2024 includes ₹ 15.68 Crores (Previous Year 25.18 Crores) pertaining to assets held for sales

(₹ in Crores)

| B Particulars | Other Provisions | | Expected Loss on contracts | |
|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Carrying amount at the beginning of the year | 25.60 | 26.39 | 103.82 | 128.68 |
| Add: Provision/Expenses during the year | 1.71 | (0.79) | 12.62 | 71.84 |
| Less : Utilisation / Reversal of Provisions | - | - | 37.49 | 96.70 |
| **CARRYING AMOUNT AT THE END OF THE YEAR** | **27.31** | **25.60** | **78.95** | **103.82** |

## 37 EARNING PER SHARE

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| No. of Equity Shares at the beginning of the year | 16,24,46,152 | 14,89,09,208 |
| Add: Equity Shares issued during the year | - | 1,35,36,944 |
| No. of Equity Shares at the end of the year | 16,24,46,152 | 16,24,46,152 |
| Weighted Average No. of Equity Shares | 16,24,46,152 | 15,16,90,772 |
| Profit for calculation of EPS(₹ in Crores) | 509.61 | 440.75 |
| Basic and Diluted Earnings Per Share (₹) | 31.37 | 29.06 |
| Nominal value of Equity Share (₹) | 2.00 | 2.00 |

## 38 DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS

### (a) Defined contribution Plans

The Group made contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Group recognized ₹ 34.00 Crores (Previous Year ₹ 38.44 Crores ) for provident fund contributions and ₹ 0.23 Crores (Previous Year ₹ 0.38 Crores) for ESIC contribution in the statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

### (b) Defined benefit plans

The Group offers the following employee benefit schemes to its employees

#### (i) Gratuity

The Group made annual contributions to the IRDA approved insurers towards funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service as per the provisions of the Gratuity Act, 1972

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 38 DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (CONTD..)

**(ii) Compensated absences**

The Scheme is non-funded.

**(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity.**

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **(i) Expenses recognised during the year** | | |
| In the statement of Profit & Loss | 12.40 | 11.41 |
| In Other Comprehensive Income | 5.12 | (1.99) |
| | **17.52** | **9.42** |
| **(ii) Expenses recognised in the statement of Profit & Loss** | | |
| Current Service Cost | 10.67 | 8.38 |
| Net Interest Cost | 1.73 | 3.03 |
| **Total** | **12.40** | **11.41** |
| **(iii) Expenses recognised in other comprehensive income** | | |
| Actuarial (gains) / losses | | |
| change in demographic assumptions | (0.77) | - |
| change in financial assumptions | 0.66 | (3.22) |
| experience variance | 4.10 | 1.19 |
| Return on plan assets | 1.13 | 0.04 |
| **Total** | **5.12** | **(1.99)** |

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(iv) Net Liability recognised in the Balance Sheet** | | |
| Present value of obligation | 74.26 | 65.52 |
| Fair value of plan assets | 36.58 | 37.38 |
| Assets / (Liability) Recognized in Balance Sheet | (37.68) | (28.14) |
| **(v) Changes in Present Value of Obligations** | | |
| Present value of obligation at the beginning of the year | 65.52 | 60.09 |
| Current Service Cost | 10.67 | 8.38 |
| Interest Cost (Gross) | 4.68 | 5.38 |
| Actuarial (gains) / losses arising from: | | |
| changes in financial assumptions | 0.66 | (3.22) |
| change in demographic assumptions | (0.77) | - |
| changes in experience assumptions | 4.10 | 1.19 |
| Liability transferred | - | (0.10) |
| Benefits paid | (10.60) | (6.20) |
| **Present value of obligation at the end of the year** | **74.26** | **65.52** |
| **(vi) Changes in Fair Value of Plan Assets** | | |
| Fair value of Plan Assets at the beginning of the year | 37.38 | 35.16 |
| Interest Income | 2.95 | 2.35 |
| Return on Plan Assets | (1.13) | (0.04) |
| Contributions by Employer | 7.98 | 6.11 |
| Benefits paid | (10.60) | (6.20) |
| **Fair Value of Plan assets at the end of the year** | **36.58** | **37.38** |
| **(vii) Bifurcation of present value of obligations into current and non-current** | | |
| Current Liability | 17.86 | 11.83 |
| Non-current Liability | 19.82 | 16.31 |

202410180070S

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 38 DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (CONTD..)

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **(viii) Actuarial assumptions used in determining the obligation are** | | |
| Discount rate | 7.20% - 7.22% | 7.23% - 7.60% |
| Salary Escalation Rate | 6.00% | 6.00% |
| Mortality Rate | As per Indian Assured Lives Mortality (2012-14) Table | |
| Withdrawal Rate | 2.00%-25.00% | 2.00%-21.00% |
| Retirement Age | 58 - 60 years | |
| Expected Return on Asset | 7.20% - 7.22% | 7.23% - 7.60% |
| **(ix) Maturity Profile of Defined benefit obligation** | | |
| 1 year | 11.29 | 12.66 |
| 2 year | 7.34 | 9.02 |
| 3 year | 7.00 | 8.29 |
| 4 year | 7.44 | 7.27 |
| 5 year | 7.49 | 7.04 |
| After 5 year | 33.41 | 25.90 |
| **(x) Quantitative Sensitivity Analysis for Significant Assumptions** | | |
| Defined Benefits Obligation (Base) (₹ in Crores) | 74.26 | 65.52 |
| *Impact of change in discount rate* | | |
| Revised obligation at the end of the year | | |
| Due to increase of 0.50% | 59.07 | 59.07 |
| Due to decrease of 0.50% | 62.31 | 62.31 |
| Impact of change in salary increase | | |
| Revised obligation at the end of the year | | |
| Impact due to increase of 0.50% | 62.04 | 62.04 |
| Impact due to decrease of 0.50% | 59.31 | 59.31 |

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

### (d) Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit plans which are as follows:

a. Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

b. Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c. Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

d. Investment Risk : The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

**39** Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

## 40 RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW :

**List of Related Parties**

| | | |
|---|---|---|
| **a)** | **Joint Ventures** | |
| | Kurukshetra Expressway Private Limited | |
| **b)** | **Key Management Personnel** | |
| | Mr. Manish Mohnot | Managing Director and CEO |
| **c)** | **Individuals having significant influence and their relatives:** | |
| | Mr. Mofatraj P. Munot | Promoter Director & Non-Executive Chairman |
| | Mr. Parag Munot | Promoter Director |
| | Ms. Sudha Golechha | Relative of Promoter Director |
| | Ms. Sunita Choraria | Relative of Promoter Director |
| **d)** | **Enterprises having Significant influence and having transactions with the group** | |
| | Kalpataru Properties Private Limited | |
| | Property Solution (India) Private Limited | |
| | Kalpataru Limited | |
| | Kalpataru Construction Private Limited | |
| | K C Holdings Private Limited | |
| | Kalpataru Viniyog LLP | |
| | Kalpataru Holdings Private Limited | |
| | Kiyana Ventures LLP | |
| | Gurukrupa Developers | |
| | Kalpataru Retail Ventures Private Limited | |
| | Agile Real Estate Private Limited | |
| | Abacus Real Estate Private Limited | |
| | Argos Arkaya Power Solutions LLP | |
| | BGK Infrastructure Developers Private limited | |
| | Kalpataru Urbanscape LLP | |
| | Kalpataru Foundation | |
| | Dynacraft Machine Company Limited | |
| | Kalpataru Business Solutions Private Limited | |
| | Kalpataru Homes Private Limited | |

**Transactions with Related Parties in ordinary course of business are:**

(₹ in Crores)

| Particulars | Relationship | 2023-24 | 2022-23 |
|---|---|---|---|
| **1 Loans and advances given** | | | |
| Kurukshetra Expressway Private Limited* | Joint Venture | 1.78 | 2.81 |
| *Impairment on Loan during the year ₹ 1.78 Crores (previous year ₹ 2.81 Crores) | | | |
| **2 Other Expenses / Service Charges** | | | |
| Property Solution (India) Private Limited | Enterprises having significant influence | 5.24 | 4.11 |
| Gurukrupa Developers | Enterprises having significant influence | - | 0.18 |
| Kalpataru Business Solutions Private Limited | Enterprises having significant influence | 10.00 | 0.25 |
| **3 Reimbursement of Expenses Payable / (Receivable)** | | | |
| Agile Real Estate Private Limited | Enterprises having significant influence | 0.72 | 0.64 |
| Abacus Real Estate Private Limited | Enterprises having significant influence | 0.01 | - |
| Kalpataru Limited | Enterprises having significant influence | 0.65 | 0.71 |

202410180070G

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 40 RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW (CONTD..) :

(₹ in Crores)

| Particulars | Relationship | 2023-24 | 2022-23 |
|---|---|---|---|
| **4 Rent Expenses** | | | |
| Kalpataru Limited* | Enterprises having significant influence | 18.33 | 17.84 |
| BGK Infrastructure Developers Private limited | Enterprises having significant influence | 0.11 | 0.04 |
| K C Holdings Private Limited | Enterprises having significant influence | 0.04 | 0.05 |
| Dynacraft Machine Company Limited | Enterprises having significant influence | 0.61 | 0.56 |
| *During Previous year units of Kalpataru Retail Ventures Private Limited merged with Kalpataru Limited | | | |
| **5 Revenue from Operations** | | | |
| Abacus Real Estate Private Limited | Enterprises having significant influence | 31.38 | 14.25 |
| Agile Real Estate Private Limited | Enterprises having significant influence | 109.73 | 82.52 |
| Kalpataru Urbanscape LLP | Enterprises having significant influence | 23.63 | 37.94 |
| **6 Other Income** | | | |
| Kalpataru Limited | Enterprises having significant influence | 0.08 | 0.08 |
| **7 Purchase of Property, Plant and Equipments** | | | |
| Gurukrupa Developers | Enterprises having significant influence | - | 2.19 |
| Argos Arkaya Power Solutions LLP | Enterprises having significant influence | 0.53 | - |
| **8 Salary and Commission *** | | | |
| Mr. Mofatraj P. Munot | Promoter Director & Non-executive Chairman | 1.50 | 1.50 |
| Mr. Manish Mohnot | Key Management Personnel | 19.07 | 12.42 |
| Mr. Parag Munot | Promoter Director | 2.25 | 2.40 |
| * break up of Compensation to key managerial personnel | | | |
| Short term employment benefits | | 19.07 | 12.42 |
| Post-employment benefits | | 0.01 | 0.01 |
| **9 Sitting Fees** | | | |
| Mr. Mofatraj P. Munot | Promoter Director & Non-executive Chairman | 0.10 | 0.12 |
| Mr. Parag Munot | Promoter Director | 0.06 | 0.08 |
| **10 Dividend Paid** | | | |
| Kalpataru Properties Private Limited | Enterprises having significant influence | - | - |
| Kalpataru Construction Private Limited | Enterprises having significant influence | 15.65 | 15.18 |
| K C Holdings Private Limited | Enterprises having significant influence | 14.54 | 13.74 |
| Kalpataru Viniyog LLP | Enterprises having significant influence | 0.01 | 0.86 |
| Kalpataru Holdings Private Limited | Enterprises having significant influence | 0.23 | 0.22 |
| Mr. Mofatraj P. Munot | Promoter Director & Non-executive Chairman | 11.44 | 10.62 |
| Mr. Parag Munot | Promoter Director | 0.45 | 5.18 |
| Ms. Sudha Golechha | Relative of Promoter Director | 0.61 | 0.57 |
| Ms. Sunita Choraria | Relative of Promoter Director | 0.61 | 0.57 |
| **11 Security Deposit paid** | | | |
| Kalpataru Limited | Enterprises having significant influence | - | 4.20 |
| Dynacraft Machine Company Limited | Enterprises having significant influence | 0.08 | - |
| **12 Security Deposit Received back** | | | |
| Kalpataru Limited | Enterprises having significant influence | - | 0.64 |
| **13 Advance from Customers received/ (adjusted) (net)** | | | |
| Abacus Real Estate Private Limited | Enterprises having significant influence | (2.34) | 6.67 |
| Agile Real Estate Private Limited | Enterprises having significant influence | (2.16) | 4.36 |
| Kalpataru Urbanscape LLP | Enterprises having significant influence | - | (3.45) |
| **14 Advances given / (Adjusted) (net)** | | | |
| Gurukrupa Developers | Enterprises having significant influence | - | (0.20) |
| **15 Purchase / (Sales) of Materials** | | | |
| Agile Real Estate Private Limited | Enterprises having significant influence | - | 0.40 |
| Argos Arkaya Power Solutions LLP | Enterprises having significant influence | 0.42 | 7.39 |
| Kalpataru Homes Private Limited | Enterprises having significant influence | 0.01 | - |
| **16 Corporate Social Responsibility** | | | |
| Kalpataru Foundation | Enterprises having significant influence | 6.07 | 7.61 |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 40 RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW (CONTD..) :

**Balances with Related parties as at March 31, 2024**

(₹ in Crores)

| Particulars | Relationship | 2023-24 | 2022-23 |
|---|---|---|---|
| **1 Advances Given** | | | |
| Gurukrupa Developers | Enterprises having significant influence | 0.67 | 0.67 |
| Kalpataru Properties Private Limited | Enterprises having significant influence | 32.31 | 32.31 |
| **2 Loans Given** | | | |
| Kurukshetra Expressway Private Limited* | Joint Venture | 303.46 | 301.68 |
| *Impairment on Loan ₹ 303.46 Crores (previous year ₹ 301.68 Crores) | | | |
| **3 Security Deposit Given** | | | |
| Kalpataru Limited | Enterprises having significant influence | 97.76 | 97.76 |
| Dynacraft Machine Company Limited | Enterprises having significant influence | 0.64 | 0.56 |
| **4 Trade and Other Payable** | | | |
| Kalpataru Limited | Enterprises having significant influence | 1.34 | 0.74 |
| Kalpataru Retail Ventures Private Limited | Enterprises having significant influence | - | 0.05 |
| Property Solution (India) Private Limited | Enterprises having significant influence | 1.50 | 0.64 |
| Argos Arkaya Power Solutions LLP | Enterprises having significant influence | 0.12 | 0.86 |
| Kiyana Ventures LLP | Enterprises having significant influence | - | 0.02 |
| K C Holdings Private Limited | Enterprises having significant influence | 0.01 | - |
| Mr. Mofatraj P. Munot | Promoter Director & Non-executive Chairman | 1.50 | 1.50 |
| Mr. Manish Mohnot | Key Management Personnel | 14.21 | 8.24 |
| Mr. Parag Munot | Promoter Director | 2.25 | 2.40 |
| Kalpataru Business Solutions Private Limited | Enterprises having significant influence | 2.70 | 0.25 |
| **5 Trade and Other Receivables** | | | |
| Kiyana Ventures LLP | Enterprises having significant influence | 19.38 | 19.40 |
| Abacus Real Estate Private Limited | Enterprises having significant influence | 18.74 | 9.39 |
| Agile Real Estate Private Limited | Enterprises having significant influence | 110.52 | 40.38 |
| Kalpataru Limited | Enterprises having significant influence | 0.04 | 0.02 |
| Kalpataru Urbanscape LLP | Enterprises having significant influence | 79.45 | 64.43 |
| **6 Advances From Customers** | | | |
| Kiyana Ventures LLP | Enterprises having significant influence | 0.71 | 0.71 |
| Agile Real Estate Private Limited | Enterprises having significant influence | 4.58 | 6.74 |
| Abacus Real Estate Private Limited | Enterprises having significant influence | 4.33 | 6.67 |
| **7 Guarantee Outstanding** | | | |
| Kalpataru Foundation | Enterprises having significant influence | 0.01 | 0.01 |

**Note:** Transactions with the related parties are at Arm's length prices. The amount outstanding are unsecured and will be settled in cash.

## 41 ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF :

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Subcontracting expenses | 4,485.17 | 4,080.65 |
| Construction material, stores and spares consumed | 767.34 | 577.70 |
| Power and fuel | 297.26 | 226.36 |
| Freight and Forwarding Expenses | 151.53 | 45.56 |
| Vehicle and Equipment Hire Charges | 399.57 | 281.20 |
| Custom Duty, Clearing & Handling Charges | 89.96 | 39.30 |
| Others | 404.60 | 162.73 |
| **TOTAL** | **6,595.43** | **5,413.50** |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

**42 (a)** One of the Subsidiary Company has filed a writ petition dated May 6, 2009 before the Rajasthan High Court, Jaipur against the Board of Revenue, Revenue Appellate Authority, the Sub-Divisional Officer, Ramgarh and others, challenging their orders dated April 1, 2009, August 20, 2008 and February 5, 2008, respectively, pursuant to which the revenue authorities had invalidated the transfer of land measuring 1.895 hectares situated at Ramgarh district Alwar, to the Subsidiary Company, alleging contravention of the Rajasthan Land Revenue (Conversion of Agricultural land for Non- Agricultural Purposes in Rural Areas) Act, 1992. The Subsidiary Company has prayed inter-alia, for an order quashing the orders dated April 1, 2009, August 20, 2008, and February 5, 2008, and declaring the entire proceedings initiated by the Sub-Divisional Officer as illegal, arbitrary and unconstitutional, or in the alternative, remanding the case to the Sub-Divisional Officer, on the grounds that the order was passed without providing an opportunity to be heard. The High Court through its interim order dated May 11, 2009 granted an interim stay against the operation of the challenged orders. The value of the land and building, involved in the matter, at book value is ₹ 8.32 Crores. The matter is currently pending and the Subsidiary Company does not expect any liability on account of the same. In the instant matter, the subsidiary company has been successful to obtain stay order form the Hon'ble High Court, Rajasthan, Bench Jaipur. The matter is pending for hearing at High Court.

**(b)** One of the Subsidiary Company had received a letter from its term lender for projects in Rajasthan and Gujarat stating that the subsidy applied under Scheme of Development / Strengthening of Agriculture Marketing Infrastructure, Grading and Standardization (AMIGS) for its Agri Logistics Parks has not been approved on technical grounds as stated in the Joint Monitoring Committee report and has recalled the advance subsidy of INR 2.25 Crores. The said advance capital subsidy received by the Subsidiary Company is credited to the relevant fixed assets in the year of receipt. The Subsidiary Company has represented the matter to National Bank for Agriculture and Rural Development (NABARD) and Directorate of Marketing & Inspection (DMI), Delhi. DMI has initiated the process for reviewing the same in the light of submissions made by the Subsidiary Company. The Subsidiary Company believes that the projects are well qualified under the said subsidy scheme and the same would be approved by the relevant sanctioning authorities. The Empowered Committee of India has observed that cold storage of Ramganj mandi (Rajasthan) and Deesa (Gujarat) are eligible for release of final subsidy of ₹ 0.25 Crores each (Total ₹ 0.50 Crores). Both Rajasthan and Gujarat locations related subsidy matters are pending before the Hon'ble High Court Rajasthan, Bench Jaipur and Hon'ble Gujarat High Court, Ahmedabad, respectively. The Hon'ble High Courts of Rajasthan and Gujarat have already granted stay order in favour of the Subsidiary Company. Stay is continuing till the final disposal of the writ petitions. As per judgement dated 29.03.2022 Hon'ble Gujarat High Court has decided the Subsidiary Company's Special Civil Application and directed NABARD to release the balance subsidy amount along with 6% interest per annum. However, NABARD has filed an appeal against the order of Hon'ble Gujarat High Court. In case of Rajasthan, an application for hearing has been filed by the subsidiary company.

**43 (a)** The Group has entered into service concession agreements with grantors viz: National Highways Authority of India (NHAI) and The Madhya Pradesh Road Development Corporation Ltd. (MPRDC) for construction and maintenance of the toll roads for a specified period (concession period) and has received a right to collect a fee for using the toll road during that agreed concession period. The Group has to pay a guaranteed minimum annual payment to the grantor for each year that the toll road in operation, as per agreement, for 2 toll roads. At the end of concession period, the ownership of the toll roads will vest with grantor. The service concession agreement does not contain a renewal option. In terms of para 17 of appendix C to Ind AS 115, cost on construction of roads has been recognised as "intangible assets" and being amortised over concession period.

**(b) Financial summary of above concession agreements is given below.**

(₹ in Crores)

| Particulars | Toll Roads | |
|---|---|---|
| | 2023-24 | 2022-23 |
| Revenue accounted during the year | 244.03 | 200.56 |
| Loss before tax | (7.36) | (30.02) |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 44 LEASES

1 The Group's significant leasing / licensing arrangements are mainly in respect of residential / office premises and equipments. Leases generally have a lease term ranging from 14 months to 108 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

2 **Right-of-use assets by class of assets is as follows.**

**Financial Year 2023-24**

(₹ in Crores)

| Particulars | Gross Block | | | | | Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2023 | Additions | Deductions | Foreign Currency Translation Reserve | As at 31st March, 2024 | As at 1st April, 2023 | For the Year | Deductions | Foreign Currency Translation Reserve | As at 31st March, 2024 | As at 31st March, 2024 |
| **TANGIBLE ASSETS** | | | | | | | | | | | |
| Land | 2.48 | 2.39 | 1.03 | - | 3.84 | 0.19 | 1.59 | 0.97 | (0.06) | 0.75 | 3.09 |
| Buildings | 111.88 | 41.20 | 32.54 | (0.26) | 120.28 | 61.77 | 31.08 | 32.42 | (0.06) | 60.37 | 59 91 |
| Plant & Equipments | 68.13 | 0.20 | 1.65 | (0.04) | 66.64 | 28.07 | 18.70 | 1.67 | (0.02) | 45.08 | 21.56 |
| Vehicles | 25.15 | 14.23 | 6.50 | (0.30) | 32.58 | 11.46 | 7.87 | 5.03 | (0.09) | 14.21 | 18.37 |
| Furniture and Fixture | 0.04 | - | 0.04 | - | - | 0.03 | 0.01 | 0.04 | - | - | - |
| **Total** | **207.68** | **58.02** | **41.76** | **(0.60)** | **223.34** | **101.52** | **59.25** | **40.13** | **(0.23)** | **120.41** | **102.93** |

**Financial Year 2022-23**

(₹ in Crores)

| Particulars | Gross Block | | | | | Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2022 | Additions | Deductions | Foreign Currency Translation Reserve | As at 31st March, 2023 | As at 1st April, 2022 | For the Year | Deductions | Foreign Currency Translation Reserve | As at 31st March, 2023 | As at 31st March, 2023 |
| **TANGIBLE ASSETS** | | | | | | | | | | | |
| Land | 3.37 | - | 0.89 | - | 2.48 | 0.36 | 0.25 | 0.42 | - | 0.19 | 2 29 |
| Buildings | 146.33 | 25.54 | 59.60 | (0.39) | 111.88 | 80.67 | 36.54 | 55.12 | (0.32) | 61.77 | 50 11 |
| Plant & Equipments | 63.95 | 5.91 | 1.67 | (0.06) | 68.13 | 13.03 | 16.73 | 1.67 | (0.02) | 28.07 | 40.06 |
| Vehicles | 26.75 | 9.35 | 10.44 | (0.51) | 25.15 | 12.67 | 6.68 | 7.50 | (0 39) | 11.46 | 13.69 |
| Furniture and Fixture | 0.04 | - | - | - | 0.04 | 0.01 | 0.02 | - | - | 0.03 | 0.01 |
| **Total** | **240.44** | **40.80** | **72.60** | **(0.96)** | **207.68** | **106.74** | **60.22** | **64.71** | **(0.73)** | **101.52** | **106.16** |

3 Finance costs includes interest expense amounting to ₹ 7.17 Crores (previous year ₹ 9.03 Crores) on lease liablity accounted in accordance with Ind AS 116 'Leases'.

4 Rent expense in Note No.29 represents lease charges for short term

5 **Lease liabilities**

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| **Maturity analysis - Undiscounted cash flows** | | |
| Less than one year | 56.34 | 53.73 |
| More than one year | 49.60 | 60.95 |
| **TOTAL UNDISCOUNTED LEASE LIABILITIES** | **105.94** | **114.68** |
| **Lease liabilities included in financial position** | | |
| Current | 53.24 | 48.87 |
| Non-Current | 45.76 | 54.80 |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

**45** Additional information as required by paragraph 2 of the general instruction for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in Crores)

| Name of Enterprise | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or (Loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % Net Asset | Amount (₹ in Crores) | As % Profit or (Loss) | Amount (₹ in Crores) | As % Profit or (Loss) | Amount (₹ in Crores) | As % Profit or (Loss) | Amount (₹ in Crores) |
| **Parent** | | | | | | | | |
| Kalpataru Projects International Limited | 111.91% | 5,750.04 | 104.59% | 533.00 | 118.11% | 11.02 | 104.83% | 544.02 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Adeshwar Infrabuild Limited | - | (0.25) | - | (0.01) | - | - | - | (0.01) |
| Amber Real Estate Limited | 0.02% | 1.03 | -0.01% | (0.04) | - | - | -0.01% | (0.04) |
| Energylink India Limited | 1.41% | 72.59 | -6.91% | (35.20) | - | - | -6.78% | (35.20) |
| Shree Shubham Logistics Limited | 1.56% | 80.16 | -3.54% | (18.02) | 1.29% | 0.12 | -3.45% | (17.90) |
| Kalpataru Metfab Private Limited | 0.28% | 14.48 | 0.01% | 0.07 | 0.00% | - | 0.01% | 0.07 |
| Brij Bhoomi Expressway Private Limited | -0.05% | (2.50) | 3.66% | 18.67 | -0.21% | (0.02) | 3.59% | 18.65 |
| JMC Mining and Quarries Limited | 0.05% | 2.46 | - | - | - | - | - | - |
| Saicharan Properties Limited | 1.46% | 74.89 | -6.62% | (33.76) | -0.11% | (0.01) | -6.51% | (33.77) |
| Vindhyachal Expressway Private Limited | -0.06% | (3.06) | 3.76% | 19.18 | -0.21% | (0.02) | 3.69% | 19.16 |
| Wainganga Expressway Private Limited | -6.02% | (309.43) | -9.08% | (46.25) | -0.11% | (0.01) | -8.91% | (46.26) |
| Punarvasu Financial Services Private Limited | 0.43% | 22.26 | 0.25% | 1.28 | - | - | 0.25% | 1.28 |
| **Foreign** | | | | | | | | |
| Kalpataru Power Transmission (Mauritius) Limited | -0.10% | (5.24) | -0.01% | (0.06) | - | - | -0.01% | (0.06) |
| Kalpataru Power Transmission - USA, INC | 0.05% | 2.44 | -0.50% | (2.57) | 0.54% | 0.05 | -0.49% | (2.52) |
| LLC Kalpataru Power Transmission Ukraine | -0.02% | (1.26) | - | - | 0.54% | 0.05 | 0.01% | 0.05 |
| Kalpataru Power DMCC, UAE | -0.08% | (3.93) | -0.15% | (0.75) | -0.54% | (0.05) | -0.15% | (0.80) |
| Kalpataru IBN Omairah Company Limited | -1.32% | (67.96) | 3.40% | 17.33 | -12.11% | (1.13) | 3.12% | 16.20 |
| Kalpataru Power Transmission Sweden AB | 0.74% | 37.80 | -3.05% | (15.56) | - | - | -3.00% | (15.56) |
| Linjemontage i Grästorp Aktiebolag | 2.72% | 139.51 | 3.79% | 19.29 | - | - | 3.72% | 19.29 |
| Linjemontage Service Nordic AB | 0.57% | 29.11 | 1.97% | 10.03 | - | - | 1.93% | 10.03 |
| Linjemontage AS | -0.16% | (8.03) | -0.59% | (2.99) | - | - | -0.58% | (2.99) |
| Kalpataru Power Senegal SARL | 0.20% | 10.33 | -0.32% | (1.61) | 0.43% | 0.04 | -0.30% | (1.57) |
| Kalpataru Power DO Brasil Participacoes Ltda | 2.42% | 124.38 | -1.07% | (5.47) | - | - | -1.05% | (5.47) |
| Fasttel Engenharia S.A. | 0.51% | 26.46 | -9.63% | (49.08) | - | - | -9.46% | (49.08) |
| Kalpataru Power Chile SpA | 0.38% | 19.28 | 3.71% | 18.89 | -26.47% | (2.47) | 3.16% | 16.42 |
| **Non Controlling interest in all subsidiaries** | 0.49% | 25.18 | -1.23% | (6.29) | 4.18% | 0.39 | -1.14% | (5.90) |
| **Joint Venture (as per equity consolidation method)** | | | | | | | | |
| Kurukshetra Expressway Private Limited | - | - | - | - | - | - | - | - |
| Adjustment arising out of consolidation | -17.39% | (892.75) | 17.57% | 89.53 | 14.67% | 1.37 | 17.55% | 90.90 |
| **TOTAL** | **100.00%** | **5,137.99** | **100.00%** | **509.61** | **100.00%** | **9.33** | **100.00%** | **518.94** |

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 46 GOODWILL AND INDEFINITE LIFE TRADEMARK

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable asset.

The useful life of trademark has been determined to be indefinite as the Company expects to generate future economic benefits indefinitely from the asset.

Goodwill and Trademark are tested for impairment annually or based on an indicator and provides for impairment if the carrying amount of goodwill / Trademark exceeds its recoverable amount.

**Following is a summary of changes in the carrying amount of goodwill / trademark**

(₹ in Crores)

| Particulars | Goodwill | | Trademark | |
|---|---|---|---|---|
| | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| **Balance at the beginning of the year** | 183.61 | 184.21 | 36.86 | 36.68 |
| Acquired on business combination during the year | - | - | - | - |
| Foreign currency translation difference | 0.69 | (0.60) | (0.20) | 0.18 |
| **Balance at the end of the year** | **184.30** | **183.61** | **36.66** | **36.86** |

The Holding Company did not identify any impairment based on internal cashflow forecast.

## 47 SEGMENT REPORTING

Group's reportable segments are as under:

(a) Engineering, Procurement and Construction (EPC): It comprises of infrastructure projects relating to power transmission and distribution, civil construction, railway track laying and electrification, oil and gas pipelines laying, etc.

(b) Developmental Project: It comprises of development, operation and maintenance of infrastructure project.

(c) Others includes mainly agri-logistics and Bio-Mass business.

Summarised segment information are as follows:

### (a) Business Segment

(₹ in Crores)

| Particulars | EPC | | Developmental Projects | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| **(i) Segment Revenue** | 19,147.81 | 15,882.86 | 279.99 | 271.80 | 199.04 | 212.60 | 19,626.84 | 16,367.26 |
| Less: Inter-Segmental Revenue | | | | | | | 0.41 | 5.82 |
| **Revenue from Operations** | | | | | | | **19,626.43** | **16,361.44** |
| **(ii) Segment Results (before finance cost and interest income)** | 1,003.51 | 934.88 | 135.72 | 111.74 | 22.24 | 27.60 | 1,161.47 | 1,074.22 |
| Add: Interest income | | | | | | | 57.80 | 34.05 |
| Less: Finance Costs | | | | | | | 518.08 | 466.75 |
| Share of Loss from Joint Venture | | | | | | | - | - |
| **Profit Before Tax** | | | | | | | **701.19** | **641.52** |
| Current Tax | | | | | | | 223.40 | 265.64 |
| Deferred Tax | | | | | | | (38.11) | (59.14) |
| **Net Profit for the year** | | | | | | | **515.90** | **435.02** |
| **(iii) Other Information** | | | | | | | | |
| Depreciation and Amortisation Expenses | | | | | | | 473.29 | 391.75 |
| Impairment of assets | - | - | - | - | - | 18.22 | - | 18.22 |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 47 SEGMENT REPORTING (CONTD..)

| Particulars | EPC | Developmental Projects | Others | Total |
|---|---|---|---|---|
| **(iv) Segment Assets and Liabilities** | | | | |
| **As at 31st March, 2024** | | | | |
| Segment Assets | 20,268.47 | 1,937.14 | 523.00 | 22,728.61 |
| Less: Inter segmental assets | 687.33 | - | 3.57 | 690.90 |
| **Net Segment Assets** | **19,581.14** | **1,937.14** | **519.43** | **22,037.71** |
| Segment Liabilities | 15,643.02 | 1,621.22 | 351.56 | 17,615.80 |
| Less: Inter segmental liabilities | 3.57 | 515.74 | 171.59 | 690.90 |
| **Net Segment Liabilities** | **15,639.45** | **1,105.48** | **179.97** | **16,924.90** |
| **As at 31st March, 2023** | | | | |
| Segment Assets | 17,444.74 | 1,956.96 | 535.41 | 19,937.11 |
| Less: Inter segmental assets | 356.26 | - | - | 356.26 |
| **Net Segment Assets** | **17,088.48** | **1,956.96** | **535.41** | **19,580.85** |
| Segment Liabilities | 13,393.20 | 1,274.45 | 367.17 | 15,034.82 |
| Less: Inter segmental liabilities | - | 5.40 | 142.43 | 147.83 |
| **Net Segment Liabilities** | **13,393.20** | **1,269.05** | **224.74** | **14,886.99** |

### (b) Geographical Segment

(₹ in Crores)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Revenue from Operations | | |
| Within India | 12,206.08 | 10,917.13 |
| Outside India^ | 7,420.35 | 5,444.31 |
| **TOTAL** | **19,626.43** | **16,361.44** |

Non Current Assets*

(₹ in Crores)

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---|---|
| Within India | 1,660.64 | 1,708.24 |
| Outside India | 609.75 | 558.17 |

* excludes Intangibles, Financial assets, Non current tax and Deferred tax assets.

^ None of the geographies outside India contributes to more than 10% of the gross revenue in current year and previous year.

**48** Revenue from major customers - Public sector undertakings in India, is ₹ 7,350.57 Crores (Previous year ₹ 6,372.42 Crores). Revenue from other individual customer is less than 10% of total revenue.

**49** Performance obligations unsatisfied or partially satisfied amounts to ₹ 58,415 crores (Previous Year ₹ 45,918 crores) as at March 31, 2024 for which revenue is expected to be recognized in future over the period of 1 to 6 years.

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

**50** The Group has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

**As at 31st March, 2024**

(₹ in Crores)

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding | Relationship with the Struck off company, if any, to be disclosed |
|---|---|---|---|
| Oriental Engineering Works Private Limited | Trade Payable | 0.13 | NA |
| Advance Valves Private Limited | Trade Payable | 0.30 | NA |
| Pyrotech Electronics Private Limited | Trade Payable | 0.02 | NA |
| Omkarni Infrastructure | Trade Payable | 0.50 | NA |
| Rajdeep Automation Private Limited | Trade Payable | 0.01 | NA |
| Rupc Enterprises Private Limited | Trade Payable | 0.21 | NA |
| Shivasha Realtech India Pvt Ltd | Trade Payable | 0.12 | NA |
| J A Projects Private Limited | Trade Payable | 0.01 | NA |
| Thiruvishnu Sabarisha Construction Private Limited | Trade Payable | 0.04 | NA |
| Utkarsh & Aradhya Builders And Construction Private Limited | Trade Payable | 0.01 | NA |
| N. A. Fabrication And Engineering Work Private Limited | Trade Payable | 0.08 | NA |
| T. K. Construction And Services Private Limited | Trade Payable | 0.01 | NA |

**As at 31st March, 2023**

(₹ in Crores)

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding | Relationship with the Struck off company, if any, to be disclosed |
|---|---|---|---|
| Rupc Enterprises Private Limited | Trade Payable | 0.01 | NA |
| Shivasha Realtech India Pvt Ltd | Trade Payable | 0.12 | NA |
| J A Projects Private Limited | Trade Payable | 0.14 | NA |
| Thiruvishnu Sabarisha Construction Private Limited | Trade Payable | 0.01 | NA |
| Utkarsh & Aradhya Builders And Construction Private Limited | Trade Payable | 0.01 | NA |
| N. A. Fabrication And Engineering Work Private Limited | Trade Payable | 0.09 | NA |
| T. K. Construction And Services Private Limited | Trade Payable | 0.01 | NA |
| Laxmi Engineering Consultancy Pvt Ltd | Trade Payable | 0.02 | NA |
| Skumar Infratech Private Limited | Trade Payable | 0.26 | NA |

## 51 LOANS OR ADVANCES TO SPECIFIED PERSONS

(₹ in Crores)

| Type of Borrower | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Amount of loan or advance in the nature of loan outstanding |
| Subsidiaries - Interest free and repayable on demand (net) | - | 0.00% | - | 0.00% |

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

**52** During previous year, The Ahmedabad bench of Hon'ble National Company Law Tribunal (NCLT) approved the Scheme of amalgamation ('the Scheme') of JMC Projects (India) Limited ('JMC') with the Company and their respective shareholders vide its Order dated December 21, 2022. A certified copy of the Order was filed with the Registrar of Companies on January 04, 2023 and the scheme became effective. The appointed date as per the Scheme was April 1,2022.

Consequently, the Company alloted 1 (one) equity shares of ₹ 2/- each credited as fully paid up shares of the Company for every 4 (four) equity shares of ₹ 2/- each to shareholders of JMC, except to the Company, whose names were recorded in the register of members on January 11, 2023 ('Record date').

The Impact of amalgamation was accounted for as per Ind AS 110 – 'Consolidated Financial Statements'. Since, non-controlling shareholder of JMC became shareholders of the Company, non-controlling interest stands extinguished and correspondingly there was increase in equity share capital and capital reserve.

## 53 EXCEPTIONAL ITEMS

Exceptional gain (net) for the year ended March 31, 2023 includes:

1. ₹ 109.00 crores (net) in respect of claims relating to transmission asset divested in earlier year.
2. Provision of ₹ 18.21 crores towards impairment in value of Properties, Plant and Equipments in Shree Shubham Logistics Limited, a Subsidiary Company.

## 54 ADDITIONAL DISCLOSURES PURSUANT TO SCHEDULE III TO THE COMPANIES ACT

**Trade Payables ageing schedule**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **FY 2023-24** | | | | | | |
| (i) MSME | 159.70 | 57.24 | 5.45 | 2.00 | 0.49 | 224.88 |
| (ii) Others | 1,572.60 | 1,073.19 | 87.82 | 31.62 | 28.17 | 2,793.40 |
| (iii) Disputed dues – MSME | - | 0.01 | - | - | - | 0.01 |
| (iv) Disputed dues - Others | 10.91 | 0.63 | 1.45 | 0.27 | 0.91 | 14.17 |
| (v) Unbilled | 2,938.61 | - | - | - | - | 2,938.61 |
| **TOTAL** | **4,681.82** | **1,131.07** | **94.72** | **33.89** | **29.57** | **5,971.07** |
| **FY 2022-23** | | | | | | |
| (i) MSME | 64.03 | 85.61 | 2.17 | 0.13 | 0.29 | 152.23 |
| (ii) Others | 1,095.63 | 1,616.46 | 76.84 | 33.57 | 7.77 | 2,830.27 |
| (iii) Disputed dues – MSME | 0.01 | 0.32 | 0.84 | - | - | 1.17 |
| (iv) Disputed dues - Others | 9.44 | 1.98 | 0.49 | 0.51 | 0.28 | 12.70 |
| (v) Unbilled | 2,068.87 | - | - | - | - | 2,068.87 |
| **TOTAL** | **3,237.98** | **1,704.37** | **80.34** | **34.21** | **8.34** | **5,065.24** |

**55** Company has taken borrowings from banks on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 56 UTILISATION OF BORROWED FUNDS OR SECURITIES PREMIUM OR OTHER SOURCES OF FUNDS

a) During the year, the Company has advanced loans or made investment in one of its subsidiary company namely Kalpataru Power Do Brasil Participações Ltda ('KPBPL') for further grant of loans or acquisition of further equity stake in their respective subsidiaries namely Fasttel Engenharia S.A. ('Fasttel'). Details are as under

**As at 31st March, 2024**

| Name of Entity | Month | Amount in Crores | Details of Entity | |
|---|---|---|---|---|
| | | | Relationship with the Company | Registration Number |
| KPBPL | Oct 23 | 16.61 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | Nov 23 | 8.33 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | Dec 23 | 10.00 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | Dec 23 | 20.98 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | Mar 24 | 8.29 | Subsidiary Company | 40.587.945/0001-76 |
| Fasttel | July 23 | 0.02 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Oct 23 | 6.48 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Nov 23 | 22.25 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Dec 23 | 21.41 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Jan 24 | 2.26 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Feb 24 | 4.68 | Step down Subsidiary Company | 80.527.104/0001-98 |
| Fasttel | Mar 24 | 8.15 | Step down Subsidiary Company | 80.527.104/0001-98 |

**b)** During the previous year, the Company has advanced loans or made investment in two of its subsidiary company namely Kalpataru Power Do Brasil Participações Ltda ('KPBPL') and Kalpataru Power Transmission Sweden AB ("KPT Sweden") for further grant of loans or acquisition of further equity stake in their respective subsidiaries namely Fasttel Engenharia S.A. ('Fasttel') and Linjemontage i Grästorp Aktiebolag ("LMG). Details are as under:

| Name of Entity | Month | Amount in Crores | Details of Entity | |
|---|---|---|---|---|
| | | | Relationship with the Company | Registration Number |
| KPBPL | May 22 | 23.29 | Subsidiary Company | 40.587.945/0001-76 |
| KPBPL | May 22 | 23.27 | Subsidiary Company | 40.587.945/0001-76 |
| Fasttel | June 22 | 46.56 | Step down Subsidiary Company | 80.527.104/0001-98 |
| KPT Sweden | July 22 | 94.79 | Subsidiary Company | 559192-7271 |
| LMG | July 22 | 90.95 | Step down Subsidiary Company | 556464-7575 |

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act 2013 and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

**c)** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

## 56.1 OTHER DISCLOSURES:

a) No proceedings have been initiated on or are pending against any of the entities in the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

d) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

e) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

g) The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

**57** Vindhyachal Expressway Private Limited ("VEPL" or "Concessionaire") and Wainganga Expressway Private Limited ("WEPL" or "Concessionaire"), subsidiaries Company, have invoked arbitration / dispute resolution proceedings under the terms of respective Concession agreements and made certain claims due to various issues including but not limited to the development of alternate routes around the Project Highway, lack of timely development of feeder roads, economic slowdown, Implementation of GST and suspension of toll due to implementation of demonetization, which resulted in substantial reduction in toll revenue. The said proceedings are still pending for resolution. During the previous year, arbitration award in case of VEPL is received in favor of the Company, however, the amount of award is yet to be finalised.

**58** The Board of Directors have recommended a dividend of ₹ 8.00 per equity share for the financial year 2023-24, subject to approval by shareholders at the Annual General Meeting and if approved, would result in cash outflow of ₹ 129.96 Crores, which has not been included as liability in these consolidated financial statements.

**59** During the year, the Income Tax Department carried out search under section 132 of the Income Tax Act, 1961 at certain premises of the Company and residence of some of its directors and an executive. Pursuant to search proceedings, notices under section 148 of the Income Tax Act, 1961 for the Assessment years from 2013–14 to 2020–21 have been received by the Company. Pursuant to these notices, the Company is in the process of submitting the return of Income and does not expect any material adjustments to these audited financial statements at this stage.

During the year, Directorate General of GST Intelligence, Ahmedabad has initiated search at certain premise of the Company in Gujarat. During the search proceedings, the Company provided required documents, data, information and explanations to the GST authorities and continues to do so. The Company has not received any order raising demand. Pending such order and/or communication, no adjustments are required to these financial statements at this stage.

# Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2024

**60** The Company is executing projects in Afghanistan, which are currently on hold due to Force Majeure event. The Company is closely monitoring the situation and expect to resume work once the geopolitical environment in Afghanistan is resolved. The Company does not expect any material financial impact due to this event as the projects are funded by multilateral funding agencies and the company has covered the exposure of credit risk through insurance cover. Further, the bank guarantee issued for the aforesaid ongoing projects cannot be enforced as per the terms and conditions of the underlying contracts.

For and on behalf of the Board of Directors

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No : 042070
Mumbai : May 08, 2024

**Ram Patodia**
Chief Financial Officer

**Shweta Girotra**
Company Secretary

**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

**Shailendra Kumar Tripathi**
Deputy Managing Director
DIN: 03156123
Mumbai : May 08, 2024

## ANNEXURE PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

**Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures - AOC-1**

### Part "A": Subsidiaries

(₹ In Crores)

| Sr. No. | Name of the Subsidiary | Reporting currency | Share Capital | Other Equity | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Shree Shubham Logistics Limited | INR | 104.06 | (23.90) | 425.93 | 365.65 | 19.88 | 106.48 | (18.02) | - | (18.02) | - | 100.00% |
| 2 | Energylink (India) Limited | INR | 153.96 | (81.37) | 1.80 | 0.36 | 71.15 | - | (35.20) | - | (35.20) | - | 100.00% |
| 3 | Saicharan Properties Limited | INR | 151.15 | (76.26) | 180.28 | 105.39 | - | 60.14 | (33.09) | 0.67 | (33.76) | - | 100.00% |
| 4 | Adeshwar Infrabuild Limited (footnote 5) | INR | 0.05 | (0.30) | - | 0.25 | - | - | (0.01) | - | (0.01) | - | 100.00% |
| 5 | Amber Real Estate Limited | INR | 0.99 | 0.04 | 1.10 | 0.07 | - | - | (0.04) | - | (0.04) | - | 100.00% |
| 6 | Kalpataru Power Transmission - USA, Inc. | USD | 4.17 | (1.73) | 5.04 | 2.60 | - | 0.41 | (3.26) | (0.68) | (2.58) | - | 100.00% |
| 7 | Kalpataru Power Transmission (Mauritius) Limited | USD | 4.79 | (10.03) | 0.01 | 5.25 | - | - | (0.06) | - | (0.06) | - | 100.00% |
| 8 | LLC Kalpataru Power Transmission Ukraine | UAH | 0.09 | (1.35) | 0.99 | 2.25 | - | - | - | - | - | - | 100.00% |
| 9 | Kalpataru IBN Omairah Company Limited | SAR | 1.11 | (69.07) | 423.78 | 491.74 | - | 592.06 | 17.33 | - | 17.33 | - | 65.00% |
| 10 | Kalpataru Metfab Private Limited | INR | 30.01 | (15.53) | 14.49 | 0.01 | - | - | 0.07 | - | 0.07 | - | 100.00% |
| 11 | Kalpataru Power DMCC, UAE | AED | 2.27 | (6.20) | 1.12 | 5.06 | - | 0.07 | (0.75) | - | (0.75) | - | 100.00% |
| 12 | JMC Mining & Quarries Limited | INR | 3.00 | (0.54) | 3.22 | 0.76 | - | - | - | - | - | - | 100.00% |
| 13 | Brij Bhoomi Expressway Pvt. Limited (footnote 5) | INR | 22.76 | (25.26) | 123.77 | 126.27 | - | 69.17 | 11.77 | (6.90) | 18.67 | - | 100.00% |
| 14 | Wainganga Expressway Pvt. Limited (footnote 5) | INR | 30.00 | (339.43) | 560.53 | 869.96 | - | 89.33 | (45.98) | 0.27 | (46.25) | - | 100.00% |
| 15 | Vindhyachal Expressway Pvt. Limited (footnote 5) | INR | 27.05 | (30.11) | 753.52 | 756.58 | - | 85.07 | 26.85 | 7.67 | 19.18 | - | 100.00% |
| 16 | Punarvasu Financial Services Pvt. Limited | INR | 19.38 | 2.88 | 22.39 | 0.13 | - | 1.80 | 1.71 | 0.43 | 1.28 | 0.63 | 100.00% |
| 17 | Kalpataru Power Transmission Sweden AB (footnote 5) | SEK | 55.05 | (17.25) | 3.76 | 212.93 | 246.97 | - | (15.56) | - | (15.56) | - | 100.00% |
| 18 | Linjemontage i Grastorp AB | SEK | 0.16 | 139.35 | 480.55 | 348.33 | 7.29 | 849.22 | 21.87 | 2.58 | 19.29 | - | 100.00% |
| 19 | Linjemontage Service Nordic AB | SEK | 0.08 | 29.03 | 68.71 | 39.60 | - | 184.99 | 12.68 | 2.65 | 10.03 | - | 100.00% |
| 20 | Linjemontage AS | NOK | 0.25 | (8.28) | 14.47 | 22.50 | - | 21.60 | (2.99) | - | (2.99) | - | 100.00% |
| 21 | Kalpataru Power Senegal SARL | XOF | 18.61 | (8.28) | 50.95 | 40.62 | - | 27.34 | (1.54) | 0.07 | (1.61) | - | 100.00% |
| 22 | Kalpataru Power do Brasil Participações Ltda | BRL | 123.84 | 0.54 | 18.32 | 76.21 | 182.27 | - | (2.07) | 3.40 | (5.47) | - | 100.00% |
| 23 | Fasttel Engenharia S.A. | BRL | 124.38 | (97.92) | 580.42 | 553.96 | - | 696.21 | (71.50) | (22.42) | (49.08) | - | 100.00% |
| 24 | Kalpataru Power Chile SpA | CLP | 0.68 | 18.60 | 225.36 | 206.08 | - | 176.52 | 11.22 | (7.67) | 18.89 | - | 100.00% |

**Notes:**

1 Exchange rates at the year end considered for conversion : 1 USD = Rs. 83.3739; 1 AED = Rs. 22.7059; 1 UAH = Rs. 2.1405; 1 SAR= Rs. 22.2306; 1 SEK = Rs. 7.8279; 1 XOF = Rs.0.1375; 1 BRL = Rs. 16.6239; 1 CLP = Rs. 0.0851

2 Average exchange rates for the year considered for conversion : 1 USD = Rs. 82.7943; 1 AED = Rs. 22.5391; 1 UAH = Rs. 2.2287; 1 SAR= Rs. 22.0710; 1 SEK = Rs. 7.8171; 1 XOF = Rs. 0.1365; 1 BRL = Rs. 16.7803; 1 CLP = Rs. 0.0951

3 There are no Subsidiaries which is yet to commence commercial operations.

4 There are no Subsidiaries which are liquidated during the year.

5 Sub-ordinate debt is considered as part of Liability

## PART "B": ASSOCIATES AND JOINT VENTURES

(₹ In Crores)

| | Name of Associates / Joint Ventures | | Kurukshetra Expressway Private Limited |
|---|---|---|---|
| 1 | Latest audited Balance Sheet Date | | 31st March 2024 |
| 2 | Shares of Associate/Joint Ventures held by the Company on the year end | | |
| | (a) Numbers | | 5,16,82,990 |
| | (b) Amount of Investment in Associates/Joint Venture | (₹ In Crores) | 98.27 |
| | (c) Extend of Holding % | | 49.57% |
| 3 | Description of how there is significant influence | | Holding 20% or more Share Capital |
| 4 | Reason why the Associate/Joint Venture is not Consolidated | | - |
| 5 | Networth attributable to Shareholding as per latest audited / unaudited Balance Sheet | (₹ In Crores) | (133.35) |
| 6 | Profit / (Loss) for the year | | |
| | (a) Considered in Consolidation | (₹ In Crores) | - |
| | (b) Not Considered in Consolidation (Note 3) | (₹ In Crores) | - |

**Notes:**

1 There are no Associate or Joint Venture which are yet to commence operations

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# Notes

# Notes

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# Notes

# Corporate Information

## Auditors

M/s. B S R & Co. LLP

## Bankers

Indian Bank
Punjab National Bank
Union Bank of India
State bank of India
Export Import Bank of India
Axis Bank Ltd
ICICI Bank Ltd
Yes Bank Ltd
IDBI Bank Ltd
The Hongkong and Shanghai Banking Corp
IndusInd Bank
Société Générale
Indian Overseas Bank
IDFC First Bank
HDFC Bank Ltd
Federal Bank Ltd
Uco Bank
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
The Karur Vysya Bank Ltd
Karnataka Bank

## Company Secretary

Ms. Shweta Girotra

## Registered Office

Plot No. 101, Part III,
G.I.D.C Estate, Sector 28,
Gandhinagar - 382 028, Gujarat, India
Tel No.: +91-79-2321 4000
Email: info@kalpataruprojects.com

## Corporate Office

'Kalpataru Synergy',
7th Floor, Opp. Grand Hyatt Hotel,
Vakola, Santacruz (E),
Mumbai - 400 055, India.
Tel No.: +91-22-3064 2100
Website: www.kalpataruprojects.com

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KALPATARU PROJECTS INTERNATIONAL LIMITED
(Formerly Kalpataru Power Transmission Limited)



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KALPA-TARU

KALPATARU PROJECTS INTERNATIONAL LIMITED
(Formerly Kalpataru Power Transmission Limited)

**KALPATARU PROJECTS INTERNATIONAL LIMITED**
**(formerly Kalpataru Power Transmission Limited)**

**Regd. Office:** Plot No. 101, Part III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India
**Tel.:** +91 79 2321 4000 **Email:** cs@kalpataruprojects.com
**Web:** www.kalpataruprojects.com
**CIN:** L40100GJ1981PLC004281

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 43rd Annual General Meeting ("AGM" or "Meeting") of the members of Kalpataru Projects International Limited ("Company") will be held on **Monday, July 15, 2024 at 11:30 A.M. IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

## ORDINARY BUSINESS:

1. **To receive, consider and adopt:**

   (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, the Reports of the Board of Directors and Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 and the report of Auditors thereon.

2. To declare final dividend on equity shares at the rate of ₹ 8/- per equity share for the financial year ended March 31, 2024.

3. To appoint a Director in place of Mr. Parag M. Munot (DIN: 00136337), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

4. **To ratify remuneration of the Cost Auditor for the Financial Year ending March 31, 2025**

To consider and, if thought fit, to pass 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(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to the remuneration payable to M/s. K. G. Goyal & Associates, Cost Auditors (Firm Registration No.: 000024) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, as set out in the Statement annexed to the Notice convening this Annual General Meeting."

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

5. **To consider and grant authority under Section 180 (1) (a) of the Companies Act, 2013**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** in supersession of the resolution passed by the members of the Company on March 16, 2023 and pursuant to the provisions of section 180 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and subject to any other approval that may be required, the consent of the Company be and is hereby accorded, to the creation by the Board of Directors of the Company (hereinafter referred to as the Board which term shall include any committee thereof) of mortgage and / or charge, in addition to the mortgages and / or charges created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, on all or any of the movable and / or immovable, tangible and / or intangible properties of

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the Company, both present and future and / or whole or any part of the undertaking(s) of the Company, in favour of the lender(s), agent(s), trustee(s), for securing the credit facilities / borrowing of the Company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and / or bank guarantees / letter of credits or securities issued or to be issued by the Company (comprising fully / partly convertible debentures and / or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), from time to time, together with interest at the agreed rate, additional interests, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of agent(s) / trustee(s), premium, if any, on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed or any other documents entered into / to be entered into between the Company and the lender(s) / agent(s) / trustee(s) / in respect of the said loans / credit facilities / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lender(s) / agent(s) / trustee(s), for an amount not exceeding in aggregate Rs. 32,000/- Crores (Rupees Thirty Two Thousand Crores) (including the temporary loans obtained by the Company from the Company's bankers in the ordinary course of business)."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

**By Order of the Board**
For **Kalpataru Projects International Limited**

Place: Mumbai
Date: May 08, 2024

**Shweta Girotra**
Company Secretary

Registered Office:
Plot No.101, Part-III, GIDC Estate,
Sector-28, Gandhinagar – 382028.
CIN: L40100GJ1981PLC004281
Email: cs@kalpataruprojects.com
Website: www.kalpataruprojects.com
Tel.: +91 79 2321 4000

## NOTES:

A. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular No. 20/2020, Circular No.10/2022 and Circular No. 09/2023 dated 05 May, 2020, 28 December, 2022 and 25 September, 2023 respectively, and other circulars issued in this respect ("MCA Circulars") allowed, *inter-alia*, conduct of AGMs through Video Conferencing / Other Audio-Visual Means ("VC/ OAVM") facility. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05 January, 2023, Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07 October, 2023 and other relevant circulars ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations, the 43rd AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 43rd AGM shall be the Registered Office of the Company.

B. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.

C. The Explanatory Statement setting out the material facts, pursuant to Section 102 of the Act in respect of the special business is annexed hereto.

D. All documents referred to in the Notice and the Explanatory Statement and other Statutory Registers shall be available for inspection by the Members at the registered office of the Company on all working days between 11.00 a.m. to 01.00 p.m. (i.e. except Saturdays, Sundays and public holidays) up to the date of the Meeting. Such documents will also be available electronically for inspection by the members from the date of circulation of this notice upto the date of AGM and during the AGM. Members seeking to inspect such documents can send an email to cs@kalpataruprojects.com.

E. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to csurmilved@gmail.com. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

F. Information as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) with respect to Director seeking re-appointment at this AGM, are provided in the Annexure to the explanatory statement attached to this Notice.

G. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

H. **RECORD DATE:**

The Company has fixed Friday, June 28, 2024 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2024, if approved at the AGM.

I. **DIVIDEND:**

If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made through permitted mode on or before Tuesday, August 13, 2024 as under:

i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Friday, June 28, 2024. Members may note that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent ("RTA") cannot act on any request received directly from the Members holding shares in dematerialised mode for any change of bank particulars or bank mandates. Hence, such changes in bank details, ECS mandate, address or e-mail id are to be furnished by the Members to their Depository Participant only.

ii. To all Members in respect of shares held in physical form as of the close of business hours on Friday, June 28, 2024. In order to avoid any fraudulent encashment of dividend, the Member(s) holding shares in physical mode are requested to submit, if not already submitted, particulars of their Bank Accounts (Bank Account number, the name of the Bank, the Branch, IFSC etc.) in 'Form ISR – 1' along with supporting documents. These details can be furnished by the first/ sole shareholder directly to Company's RTA i.e. M/s. Link Intime India Private Limited ("LIPL").

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J. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, choice of nomination, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

i. **For shares held in electronic form:** to their Depository Participants (DPs)

ii. **For shares held in physical form:** to the Company/ RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 (subsumed as a part of SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024) read with relevant SEBI Circulars in this regards. SEBI has made mandatory for the Members holding securities in physical form to furnish PAN, choice of Nomination, Contact details including mobile no., Bank A/c details and Specimen signature for their corresponding folio numbers to the Registrar and Transfer Agent ('RTA') of the Company. The formats of Form ISR-1 and other forms are available on the Company's website at https://kalpataruprojects.com/investors/shareholder-services/advice-for-shareholders-physical-shares and on the website of the Company's RTA, LIPL at https://linkintime.co.in/.

Members holding shares in physical mode, who have not registered their above particulars are requested to register the same with the Company/RTA at the earliest. Any clarifications in this regard may be addressed to the RTA at ahmedabad@linkintime.co.in. With effect from April 01, 2024, any payments including dividend in respect of such folios wherein any one of the above cited documents/ details are not available shall only be made electronically, upon registering all the required details.

K. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 (subsumed as a part of SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024) has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4. It may be noted that any service request can be processed only after the folio is KYC Compliant.

Physical shareholders are requested to register the specimen signature for their corresponding folio numbers. To register/ update the specimen signature, the Members are requested to make service requests by submitting a duly filled and signed Form ISR – 2.

The formats of applicable forms are available on the Company's website at https://kalpataruprojects.com/investors/shareholder-services/advice-for-shareholders-physical-shares and on the website of the Company's RTA, LIPL at https://linkintime.co.in/.

L. **Members are requested to note that requests for transfer, transmission and transposition of securities shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or LIPL, for assistance in this regard.**

M. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or LIPL, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

N. As per the provisions of Section 72 of the Act and relevant SEBI Circular(s) issued from time to time, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://kalpataruprojects.com/investors/shareholder-services/advice-for-shareholders-physical-shares and on the website of the Company's RTA, LIPL at https://linkintime.co.in/. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to LIPL in case the shares are held in physical form. Members holding shares in demat form who have not furnished nomination nor have submitted declaration for opting out of nomination, are required to register or opt out from nomination, as the case may be, on or before June 30, 2024, failing which their demat account shall be frozen for debits.

O. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.

P. **Communication through e-mail:** In compliance with the aforesaid MCA Circulars and applicable SEBI Circular(s) and other relevant circulars and notifications issued in this regard, Notice of the AGM along with the Annual Report 2023-24 is

being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.kalpataruprojects.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL https://www.evotingindia.com.

To support green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

In case any Member is desirous of obtaining physical copy of the Notice and Annual Report 2023-24, he/she/ they may send a request to the Company by writing at cs@kalpataruprojects.com mentioning their Folio No./DP ID and Client ID.

**PROCESS FOR THOSE MEMBERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

a. In respect of electronic holdings with the Depository through their concerned Depository Participants. However, the members may temporarily register the email id with the Company's RTA at https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html on their website www.linkintime.co.in in the Investors service tab by providing details such as Name, DP ID, Client ID, Self-attested PAN card and Aadhar card, mobile number and email address.

   For Individual Demat Members – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

b. Members who hold shares in physical form are requested to register their e-mail ID/Mobile No. with the Company's Registrar and Share Transfer Agent M/s. Link Intime India Private Limited by furnishing Form ISR-1 along with supporting documents. However, the members may temporarily register the email id with the Company's RTA at https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html on their website www.linkintime.co.in in the Investors service tab by providing details such as Name, Folio No., Certificate number, self-attested PAN card and Aadhar card, mobile number and email address and also upload the image of share certificate (front and back) in PDF or JPEG format (upto 1 MB).

Q. SEBI vide its Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023) have issued a Circular for online resolution of disputes in the Indian securities market. Pursuant to above mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through SCORES platform, the members can initiate dispute resolution through the Online Dispute Resolution Portal (ODR Portal) viz. https://smartodr.in/login

R. Members who have neither received nor encashed their dividend warrant(s) for the financial years from 2016-17 up to 2022-23, are requested to write to the Company / RTA, mentioning the relevant Folio number or DP ID and Client ID. The member is required to submit Form ISR-1 along with supporting documents viz. self-attested copy of PAN card and Aadhaar Card, Bank account details, cancelled cheque etc. to update the securities holder's data, if the same is not updated. The unpaid dividend shall be paid only via electronic bank transfer. The original cancelled cheque should bear the name of the shareholder failing which shareholder should submit copy of bank passbook /statement attested by the bank. RTA shall then update the bank details in its records after due verification. Members holding shares in electronic form are requested to update bank account details with their Depository Participant.

S. The Company has transferred the unpaid or unclaimed dividends declared up to financial year 2015-16 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company www.kalpataruprojects.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

T. Members who have not exchanged their pre-split share certificate of face value of ₹ 10 each with new share certificate of face value of ₹ 2 each are requested to send request to the Company / RTA for issuance of letter of confirmation.

U. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more. Details of shares transferred to the IEPF Authority are available on the website of the Company www.kalpataruprojects.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from IEPF. Concerned members/investors are advised to visit the weblink: https://www.iepf.gov.in/IEPF/refund.html

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V. Intimation of details of the agreement, if any under the Listing Regulations:

Shareholders are informed that in terms of the provisions of the Listing Regulations, the Company is required to intimate the Stock Exchanges the details of the agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

Accordingly, it is hereby advised to the shareholders to inform the Company about such agreement to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements. The Company will inform the details of such agreements to the Stock Exchanges on becoming aware of it within the prescribed timelines.

[Explanation: For the purpose of this clause, the term "directly or indirectly" includes agreements creating an obligation on the parties to such agreements to ensure that the listed entity shall or shall not act in a particular manner.]

W. The instructions for Members attending and voting electronically are as under:

(i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

(ii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

(iii) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

(iv) Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

(v) In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.kalpataruprojects.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

(vi) **Process for those shareholders whose email ids are not registered:** The shareholders who have not registered their email ids are requested to get the same registered by following the process stated in note (P) above.

(vii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(viii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December, 2020, Login method for e-Voting and joining virtual meetings is given below:

i. The instructions for E-voting are as under:

- Remote e-voting timeline:

| | |
|---|---|
| **Commencement of e-voting** | 09:00 a.m. (IST) on Thursday, July 11, 2024 |
| **Conclusion of e-voting** | 05:00 p.m. (IST) on Sunday, July 14, 2024 |

During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on Cut-off date i.e. July 08, 2024 may cast their votes

electronically. The E-voting module shall be disabled by CDSL for voting thereafter.

- In terms of SEBI circular on E-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail address in their demat accounts in order to access the E-voting facility.
- Once the Shareholder has exercised the vote, whether partially or otherwise, the Shareholder shall not be allowed to change it subsequently or cast the vote again.
- The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. July 08, 2024.

ii. Procedure for attending and Voting electronically

A) **Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode**

The Company has enabled e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with E-Voting Service Provider – ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-voting facility.

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Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in *Demat mode with* **CDSL depository** | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further *authentication. The users to login to Easi / Easiest are requested to visit CDSL website* www.cdslindia.com and click on login icon & New System Myeasi Tab.<br>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as *recorded in the Demat Account. After successful authentication, user will be able to see* the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with **NSDL depository** | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After *successful authentication, you will be able to see e-Voting services. Click on "Access to* e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

1. After successfully logging by following above process, Members will be able to see EVSN of all companies in which they hold shares and whose voting cycle is active.
2. Click on the EVSN for "**Kalpataru Projects International Limited**" on which you choose to vote.
3. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
4. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
5. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
6. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
7. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000 |

B) **Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode**

Login method for e-voting and joining virtual meeting for physical shareholders and shareholders other than individual shareholders holding shares in demat form.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

| | |
|---|---|
| **PAN** | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).<br>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

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7. After entering these details appropriately, click on "SUBMIT" tab.

8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

10. Click on the EVSN for **Kalpataru Projects International Limited** on which you choose to vote.

11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

17. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

iii. INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON E-VOTING SYSTEM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

3. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.

4. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

iv. OTHER INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request during the period July 02, 2024 to July 09, 2024 mentioning their name, demat account number/ folio number, email id, mobile number at Company email id: cs@kalpataruprojects.com. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time as appropriate for smooth conduct of the AGM.

8. Members desirous for any information or queries on accounts / financial statements or relating thereto or any matter to be placed at the AGM may send their questions in advance during the period July 02, 2024 to July 09, 2024 mentioning their name, demat account number/folio number, email id, mobile number at Company email id: cs@kalpataruprojects.com. The same will be replied by the Company suitably.

9. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

v. ADDITIONAL FACILITY FOR NON–INDIVIDUAL MEMBERS AND CUSTODIANS

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that, a scanned copy of the valid Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter / Power of Attorney etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer on csurmilved@gmail.com and to the Company on cs@kalpataruprojects.com, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

vi. In case you have any queries or issues regarding attending AGM & e-voting from CDSL e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800225533.

vii. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800225533.

X. **Tax Deductible at Source / Withholding tax on Dividend:**

We are pleased to inform you that the Board of Directors of the Company at their meeting held on May 08, 2024, have recommended a final dividend of ₹ 8/- per equity share of the face value of ₹ 2/- each for the Financial Year 2023-24.

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Pursuant to the requirement of Income Tax Act, 1961 (hereinafter referred as 'the Act'), as amended vide the Finance Act, 2020, with effect from April 01, 2020, Dividend is now taxable in the hands of shareholders and accordingly, the Company is required to withhold taxes (including surcharge and cess) on the dividend paid to its shareholders at the prescribed rates as per the applicable provisions of the Act. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/ RTA / Depository Participant.

**A. RESIDENT SHAREHOLDERS:**

**A1. Tax Deductible at Source for Resident Shareholders:**

| Sr. No. (1) | Particulars (2) | Withholding Tax Rate (3) | Documents required (if any) (4) |
|---|---|---|---|
| 1 | Valid PAN updated in the Company's Register of Members | 10% | No document required |
| 2 | No PAN/Valid PAN not updated in the Company's Register of Members | 20% | No document required |
| 3 | Inoperative PAN, where the PAN is not linked with Aadhar. As per Provision of section 206AA. | 20% | No document required |
| 4 | Specified Person u/s. 206AB (not filed Income Tax Return for AY 2023-24 & aggregate TDS / TCS is ₹ 50,000 or more in each of such AY) | 20% | No document required |
| 5 | Availability of valid lower/ nil tax deduction certificate issued by Income Tax Department u/s 197 of the Act | Rate specified in the certificate | Lower/Nil tax deduction certificate obtained from Income Tax Authority |

**Note:** No tax shall be deducted at source on payment / aggregate of payment of dividend if the amount of dividend paid during the financial year 2024-25 does not exceed INR 5,000 in case the recipient is a resident individual shareholder.

**A2. No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no. 4 of the below table.**

| Sr. No. (1) | Particulars (2) | Withholding Tax Rate (3) | Documents required (if any) (4) |
|---|---|---|---|
| 1 | Submission of Form 15G/ Form 15H | NIL | Declaration in Form No. 15G (applicable to an individual who is below 60 years) / Form 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions |
| 2 | Shareholders to whom section 194 of the Act does not apply viz. LIC, GIC, Other insurer, specified business trust, notified person by Central Government | NIL | Declaration that it has full beneficial interest with respect to the shares owned by it along with PAN along with certificate of incorporation, if any |
| 3 | Shareholder covered u/s 196 of the Act such as Government, RBI, corporations established by Central Act & mutual funds | NIL | Documentary evidence identifying such exempt entity for coverage u/s 196 of the Act including SEBI Registration certificate for registered Mutual Fund |
| 4 | Category I and II Alternative Investment Fund | NIL | SEBI registration certificate to claim benefit under Section 197A (1F) of the Act |
| 5 | - Approved provident funds<br>- Approved superannuation fund<br>- Approved gratuity fund | NIL | Certificate under Income Tax Act issued by Income Tax Authority in respect of approval of such funds |
| 6 | New Pension System Trust established on 27th February 2008 | NIL | Certificate of incorporation under Indian Trust Act, 1882 |
| 7 | Any resident shareholder claiming exemption from TDS under any other provisions of the Act or by any other law or notification | NIL | Necessary documentary evidence substantiating the claim of exemption from deduction of TDS |

## B. NON-RESIDENT SHAREHOLDERS:

**Applicable withholding tax on dividend payment to non-resident shareholders as mentioned in below table.**

| Sr. No. | Particulars | Withholding Tax Rate | Documents required (if any) for Nil/lower withholding of tax |
|---|---|---|---|
| 1 | Non-resident shareholders (including SEBI registered FPI and FII, Indian Branch of Foreign Banks) | 20% (plus applicable surcharge and cess) OR Tax Treaty Rate* **(whichever is beneficial)** | To avail beneficial rate of tax treaty following tax documents would be required:<br>• Valid Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received<br>• PAN, if any<br>• Electronically filed Form 10F**<br>• Self-declaration for non-existence of permanent establishment/ fixed base in India<br>(Note 1: - Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company)<br>(Note 2: – In case of FPI / FII, copy of SEBI Registration Certificate shall be required) |
| 2 | Any non-resident having valid certificate issued by Income Tax Department for Nil / lower deduction of tax on divided income | Rate specified in such certificate/ order | Copy of valid Nil/lower tax deduction certificate obtained from Income Tax Authority |
| 3 | Any non-resident shareholder exempted from Withholding tax deduction as per the provisions of the Act or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc. | NIL | Necessary extract of applicable law giving such exemption, detailed note for such claim of exemption supported with third party opinion, if any |

*The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company.

****Form 10F:**

In pursuance of Notification no. 03/2022 dated July 16, 2022, non-resident shareholders are required to furnish Form 10F electronically on income tax portal with their login credentials at https://eportal.incometax.gov.in/iec/foservices/#/login.

For non-resident shareholders who do not have a Permanent Account Number ('PAN') or who are not required to obtain PAN, the income tax department has, from October 01, 2023, enabled a new category for obtaining Form 10F, while registering on the Income Tax Portal. The new category is "non-residents not having a PAN and not required to have PAN", which enables such non-residents to register on the Income Tax portal without PAN and file Form 10F electronically.

The same is not applicable to non-residents who have PAN in India. Such non-residents are required to furnish Form 10F electronically using their PAN login on income tax portal only.

- The aforesaid documents such as Form 15G/ 15H, documents under sections 196, 197A of the Act, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. needs to be mandatorily uploaded on the link https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before June 28, 2024 to enable the Company to determine the appropriate TDS / withholding tax rate that will be applicable. Any communication received after June 28, 2024 or through any other mode shall not be considered. Formats of Form 15G / Form 15H /

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Form 10F are available on the website of the RTA and can be downloaded from the General tab on https://linkintime.co.in/client-downloads.html

- All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company / RTA (if shares are held in physical form) against all their folio holdings on or before June 28, 2024.

- Shareholders will be able to download Form 26AS from the Income Tax Department's website https://www.incometax.gov.in/iec/foportal

- Further, in case, non-resident shareholders having Permanent Establishment in India who were liable to file tax returns and has not filed the same for Assessment Year 2023-24 in case the aggregate amount of TDS and TCS is ₹ 50,000 or more in such year, the rate of withholding tax would be increased to twice the rate of applicable TDS in view of section 206AB of the Act.

- The Central Board of Direct Taxes has provided a functionality for compliance check under Section 206AA and 206AB of the Act and to check the status of PAN being invalid or inoperative. Accordingly, for determining TDS rate on Dividend, the Company will be using the said functionality to determine the applicability of Section 206AB of the Act and the status of PAN being invalid or inoperative.

- Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/ RTA.

- If the tax is deducted at a higher rate in absence of receipt of or satisfactory completeness of the aforementioned details / documents by the Company on or before June 28, 2024, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities. No claim shall lie against the Company for such taxes deducted.

- No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000 during the financial year. However, where the PAN is not updated in Company/RTA/ Depository Participant records or in case of an invalid PAN, the Company will deduct TDS without considering the exemption limit of ₹ 5,000/-.

**Rule 37BA read with section 199 of the Income Tax Act, 1961:**

- In case where dividend is assessable in the hands of person other than in the name of shareholder, credit for tax deducted at source in aforesaid manner shall be given to such other person only on submission of a declaration as required under section 199 of the Income-Tax Act, 1961 from the recipient to the effect giving details of name, address, permanent account number of the person to whom credit is to be given, payment or credit in relation to which credit is to be given and reasons for giving credit to such person. Upon receipt of such declaration, the company will verify the details stated therein and when same is found satisfactory, the same will be considered.

- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

- The above communication on TDS/withholding sets out the provisions of the law in a summary only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.

- This communication cannot be construed as advise to any shareholders for taxation of dividend income in their hands.

**Other information**

(A) The Company has appointed Mr. Urmil Ved, Practicing Company Secretary, (Membership No. 8094) to act as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

(B) The Scrutinizer shall, after the conclusion of voting at the General Meeting, unblock the votes cast through remote e-voting and voting during the AGM in the presence of at least two witnesses not

in the employment of the Company and shall make no later than 2 working days of the conclusion of the meeting a Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes if any, forthwith to the Chairman of the Company or the person authorized by him, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.

(C) The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.kalpataruprojects.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

(D) The resolutions shall be deemed to be passed on the date of the Meeting, subject to receipt of requisite number of votes.

**By Order of the Board**
For **Kalpataru Projects International Limited**

Place: Mumbai
Date: May 08, 2024

**Shweta Girotra**
Company Secretary

Registered Office:
Plot No.101, Part-III, GIDC Estate,
Sector-28, Gandhinagar – 382028.
CIN: L40100GJ1981PLC004281
Email: cs@kalpataruprojects.com
Website: www.kalpataruprojects.com
Tel.: +91 79 2321 4000

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# EXPLANATORY STATEMENT

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

## Item No. 4

In its meeting held on May 08, 2024, the Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. K. G. Goyal & Associates (Firm Registration No.: 000024) as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of its tower manufacturing, electricity, roads & infrastructure and construction activity for the financial year ending March 31, 2025, for a remuneration of ₹ 1,70,000/- (Rupees One Lakh Seventy Thousand only) plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the Directors or any key managerial personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Your Board recommends the resolution at Item No. 4 as an Ordinary Resolution for approval of the members.

## Item No. 5

As per Section 180 (1) (a) of the Companies Act, 2013 (the Act), the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, only with the consent of the shareholders by a special resolution.

The Company creates charges on its various assets, both present and future, by way of hypothecation or mortgage or otherwise. Accordingly, the Shareholders of the Company on March 16, 2023 authorized the Board of Directors to create charge on various assets of the Company for an amount not exceeding Rs. 25,000/- Crores.

Being engaged in the business of EPC contracting, the Company will always need high credit facilities to sustain the growth and execute high value contracts especially to meet working capital demand. In order to achieve given revenue guidance and considering current order book & business visibility, the Company shall be required to avail incremental non-fund based borrowings in the form of Bank Guarantees (for performance guarantees, advance money guarantees and other purposes), Letter of Credit etc. to meet with the business requirement apart from other Long Term and Short Term borrowings and such borrowings would be required to be secured against assets of the Company.

These credit facilities are secured by way of charge/mortgage over the assets of the Company. The Company considers that the existing limit of Rs. 25,000/- Crores is expected to fall short looking to the increased business requirements for coming years.

It is, therefore, proposed that the Board be authorized to create charge/mortgage/hypothecation on the properties of the Company for the purpose of securing the credit facilities / borrowings availed/to be availed by the Company of sums not exceeding Rs. 32,000/- Crores (Rupees Thirty Two Thousand Crores).

Accordingly, consent of the Members is sought for passing a special resolution as set out at Item No. 5 of the Notice.

None of the Directors or any key managerial personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Your Board recommends the resolution at Item No. 5 as a Special Resolution for approval of the members.

**By Order of the Board**
For **Kalpataru Projects International Limited**

Place: Mumbai
Date: May 08, 2024

**Shweta Girotra**
Company Secretary

Registered Office:
Plot No.101, Part-III, GIDC Estate,
Sector-28, Gandhinagar – 382028.
CIN: L40100GJ1981PLC004281
Email: cs@kalpataruprojects.com
Website: www.kalpataruprojects.com
Tel.: +91 79 2321 4000

### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government, Members who have not registered their e-mail address, so far, are requested to get their e-mail addresses registered, in respect of electronic holding with the Depository through their concerned Depository Participants and in respect of physical holding, with the Registrar and Transfer agent of the Company. Members who hold shares in Physical form, are also requested to get their shares dematerialized.

# ANNEXURE TO THE EXPLANATORY STATEMENT

**Information pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) of Director seeking re-appointment at the forthcoming Annual General Meeting**

## I. Mr. Parag M. Munot

| Name | Mr. Parag M. Munot |
|---|---|
| DIN | 00136337 |
| Age (as on March 31, 2024) | 54 Years |
| Date of first appointment on the Board | September 30, 1991 |
| Brief resume/ Qualification/ Expertise in specific functional area/Experience | Mr. Parag M. Munot is the Managing Director of Kalpataru Ltd., the flagship real estate arm of the Group. He is responsible for Group's Real Estate and Property Development business. At Group level, he provides strategic support and drives new business initiatives. He is a graduate in Commerce and holds an MBA from Carnegie Mellon University, USA. |
| Terms and Conditions of Re-appointment | Re-appointment in terms of Section 152(6) of the Companies Act, 2013 |
| Remuneration last drawn (F.Y. 2023-24) | ₹ 2.31 crores (for remuneration details, please refer the Corporate Governance Report) |
| Remuneration proposed to be paid | Sitting fees for attending Board and/or Committee Meetings and Commission not exceeding in aggregate 1% of net profits, calculated under Section 198 of the Companies Act, 2013. |
| Number of meetings of the Board attended during the financial year 2023-24 | 4 out of 5 meetings held |
| No. of shares held in the Company including shareholding as a beneficial owner as on March 31, 2024 | 6,39,331 Equity shares of face value of ₹ 2/- each |
| Relationship with other Directors and Key Managerial Personnel | Mr. Parag M. Munot is son of Mr. Mofatraj P. Munot, Non-Executive Chairman of the Company |
| Listed entities from which Mr. Parag M. Munot has resigned in the past three years | None |
| Directorships held in other companies as on March 31, 2024 | • Kalpataru Limited<br>• Kalpataru Business Solutions Private Limited<br>• Energylink (India) Limited<br>• Kalpataru Plaza Private Limited<br>• Flex-O-Poly Private Limited<br>• Shouri Constructions Private Limited<br>• Mrigashish Constructions Private Limited<br>• Yugdharam Holdings Private Limited<br>• Shouri Investment and Trading Company Private Limited<br>• Mrigashish Investment and Trading Company Private Limited<br>• Kalpataru Properties Private Limited<br>• Kalpataru Foundation<br>• Ixora Properties Private Limited<br>• Sycamore Real Estate Private Limited<br>• Kalpataru Theatres Private Limited<br>• Kalpataru Properties (Thane) Private Limited |
| Chairmanships/Memberships of committees of other companies as on March 31, 2024 | Kalpataru Limited<br>• Audit Committee – Member<br>• Stakeholder Relationship Committee– Member<br>• Risk Management Committee – Member |