Placement Document
Not for circulation
Private and confidential
Serial Number________

KALPATARU PROJECTS INTERNATIONAL LIMITED
(Formerly Kalpataru Power Transmission Limited)

KALPATARU PROJECTS INTERNATIONAL LIMITED

Our Company was incorporated on April 23, 1981, as a private limited company under the Companies Act, 1956 under the name 'H. T. Power Structure Private Limited' pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company became a deemed public company with effect from March 30, 1993, in accordance with Section 43A(1A) of the Companies Act, 1956 and the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli to that effect. Subsequently, our Company was converted from a deemed public limited company to a public limited company and renamed as 'H. T. Power Structure Limited' pursuant to a special resolution passed by the shareholders of our Company on November 22, 1993 and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli to that effect. Further, the name of our Company was changed to 'Kalpataru Power Transmission Limited' pursuant to a special resolution passed by the shareholders of our Company on December 28, 1993 and a fresh certificate of incorporation dated January 4, 1994 was issued by RoC. Subsequently, the name was changed to the present name *viz*., 'Kalpataru Projects International Limited' pursuant to a special resolution passed by the shareholders of our Company on May 14, 2023 and a fresh certificate of incorporation dated May 22, 2023 was issued by RoC.

Corporate Identity Number: L40100GJ1981PLC004281
Registered Office: Plot No.101, Part-III, G.I.D.C Estate, Sector-28, Gandhinagar – 382 028, Gujarat, India.
Corporate Office: "Kalpataru Synergy", 7th Floor, Opp. Grand Hyatt Hotel, Vakola, Santacruz (E), Mumbai – 400 055, Maharashtra, India.
Telephone: +91 22 3064 2100/3064 2107; **Email**: cs@kalpataruprojects.com; **Website**: www.kalpataruprojects.com
Company Secretary & Compliance Officer: Shweta Girotra

Issue of up to 83,26,394 equity shares of face value of ₹ 2.00 each of our Company (the "**Equity Shares**") at a price of ₹ 1,201.00 per Equity Share, including a premium of ₹ 1,199.00 per Equity Share (the "**Issue Price**"), aggregating up to ₹ 1,000.00 crores (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 32.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on December 13, 2024 were ₹ 1,303.90 and ₹ 1,302.20 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE, each dated December 12, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT HAS BEEN CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES WERE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 42 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT.

A copy of the Preliminary Placement Document and this Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) have been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. The Preliminary Placement Document and this Placement Document have not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been filed as a prospectus with the RoC and have not been circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to the Issue have only been made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 221. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the websites of our Company or any other website directly or indirectly linked to the websites of our Company or the website of the Book Running Lead Managers (as defined hereinafter) or their respective affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections *"Selling Restrictions"* and *"Transfer Restrictions and Purchaser Representations"* on pages 236 and 244, respectively.

This Placement Document is dated December 16, 2024.

BOOK RUNNING LEAD MANAGERS	
ICICI Securities	Avendus
ICICI Securities Limited	**Avendus Capital Private Limited**

TABLE OF CONTENTS

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, our Subsidiaries, our Joint Venture and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company, our Subsidiaries, our Joint Venture and the Equity Shares are, in all material respect, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, our Subsidiaries, our Joint Venture and the Equity Shares to be issued pursuant to the Issue are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company and our Subsidiaries. There are no other facts in relation to our Company, our Subsidiaries, our Joint Venture and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company, our Subsidiaries, our Joint Venture nor the Book Running Lead Managers have any obligation to update such information to a later date.

The information contained in the Preliminary Placement Document and this Placement Document has been provided by our Company and from other sources identified herein. ICICI Securities Limited and Avendus Capital Private Limited (the "**Book Running Lead Managers**" **or** "**BRLMs**") have not separately verified all of the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers and/or any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries, our Joint Venture and the Equity Shares or its distribution. Each person that received the Preliminary Placement Document and receiving this Placement Document acknowledges that such person has not relied either on the Book Running Lead Managers or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, our Subsidiaries, and our Joint Venture and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI, the United States Securities and Exchange Commission ("SEC"), any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 236 and 244, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Managers or their respective representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions under the applicable laws of such jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been or will be taken by our Company and the Book Running Lead Managers that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, the prospective investors relied on their own examination of our Company, our Subsidiaries, our Joint Venture, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of the Preliminary Placement Document or this Placement Document as legal, business, tax, accounting, or investment advice and should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, our Company and the Book Running Lead Managers are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors in Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

The purchasers of the Equity Shares offered in the Issue will be deemed to have made representations, warranties, acknowledgements, and agreements set forth in the sections titled "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 4, 236 and 244, respectively.

Each Bidder, investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable laws, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each Bidder, investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Placement Document has been prepared for information purposes to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Neither our Company nor the Book Running Lead Managers are liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof. Eligible QIBs (as defined hereinafter) are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations (as defined hereafter) and the Eligible QIBs shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations (as defined hereinafter) and other applicable laws, rules, regulations, guidelines and circulars.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document. Further, this Placement Document has been prepared for information purposes in relation to the Issue only and upon the express understanding that it will be used for the purposes set forth herein.

The information on our Company's website, viz., https://www.kalpataruprojects.com/, or the websites of any of its Subsidiaries, or any website directly or indirectly linked to those websites or to the website of the BRLMs or their respective associates or affiliates, does not and shall not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 236 and 244, respectively.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" in this section are to the prospective Bidders in this Issue. By Bidding for and/or subscribing to any Equity Shares under the Issue, you have represented, warranted, acknowledged, and agreed to the contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 236 and 244, respectively, and have represented, warranted and acknowledged to and agreed to our Company and to the Book Running Lead Managers, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or our Subsidiaries or our Joint Venture which was not set forth in the Preliminary Placement Document and this Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (as defined hereafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with all requirement under the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets;

- You are aware that in terms of the SEBI FPI Regulations (as defined hereinafter) and the FEMA Rules, the total holding by each FPI (as defined hereinafter) including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50.00% or common control) shall be below 10.00% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10.00% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10.00% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI (as defined hereinafter), subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. Since FVCIs (as defined hereinafter) are not permitted to participate in the Issue, you confirm that you are not an FVCI;

- You will provide the information as required under the provisions of the Companies Act, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue, as may be required under the Companies Act and other applicable laws;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, please see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 236 and 244, respectively;

- You are aware that the Preliminary Placement Document and this Placement Document will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4) have not been reviewed, verified or affirmed by RBI, SEBI, Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each of which case, investment can only be through the Government approval route), and that your investment is in accordance with Consolidated FDI Policy (as defined hereinafter) and Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

- The Preliminary Placement Document and this Placement Document have been filed, with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document have been displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations, as may be required and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the Preliminary Placement Document and this Placement Document), and will honour such obligations;

- You are aware that, our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Managers. The Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of all the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) you confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of

Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, each as amended;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association (as defined hereinafter) and Articles of Association (as defined hereinafter) and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our perspective present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Neither our Company nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares have been offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of such Equity Shares shall be at the discretion of our Company, in consultation with the Book Running Lead Managers;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

- You are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 42;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and continue to make your own assessment of us and the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to purchase, ownership and disposal of the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in equity shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the Companies Act, 2013 and the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly and your Bid does not directly or indirectly represent our 'Promoters', or 'Promoter Group' (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of our Promoter Group, veto rights or right to appoint any nominee director on our Board (as defined hereinafter), other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Application Form or revise your Bid downwards after the Bid / Issue Closing Date (as defined hereinafter);

- You were eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not result in triggering an open offer under the SEBI Takeover Regulations and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- The aggregate number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares to be issued pursuant to this Issue will be obtained in time or at all. Neither our Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Placement Document are exclusively the responsibility of our Company, and that neither the Book Running Lead Managers nor any person acting on its behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Company or any other person, and the Book Running Lead Managers or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 236 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 236;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions and Purchaser Representations*" on page 244 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions and Purchaser Representations*" on page 244;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the court(s) in Mumbai India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the Book Running Lead Managers and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You have made the payment for subscription to the Equity Shares pursuant to the Issue from your own bank account. In case of joint holders, the monies have been paid from the bank account of the person whose name appears first in the application;

- You acknowledge that the Preliminary Placement Document does not, and this Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You are aware and understand that you were allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a Successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Managers;

- You represent that you are not an affiliate of our Company or the Book Running Lead Managers or a person acting on behalf of such affiliate. However, affiliates of the Book Running Lead Managers, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 10;

- You are outside the United States and are subscribing for the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made;

- You understand and agree that the Equity Shares are transferrable only in accordance with the restrictions described under the sections "*Selling Restrictions*" on page 236 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions and Purchaser Representations*" on page 244 and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- Our Company, the Book Running Lead Managers, their respective affiliates, directors, counsels, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Managers; and

- You will make all necessary filings with appropriate regulatory authorities, including with the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the Book Running Lead Managers, who are registered as Category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**Offshore Derivative Instruments**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such Offshore Derivative Instruments provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPI may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit such regulatory fee with SEBI by way of electronic transfer in the designated bank account of SEBI. In terms of Regulation 21 of SEBI FPI Regulations, Offshore Derivative Instruments may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Offshore Derivative Instruments have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning Offshore Derivative Instruments or the issuer(s) of any Offshore Derivative Instruments, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control,) is not permitted to be 10.00% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors, as amended (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of Offshore Derivative Instruments and two or more subscribers of Offshore Derivative Instruments having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the Offshore Derivative Instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI investments and Offshore Derivative Instruments position held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of Offshore Derivative Instruments.

Affiliates of the Book Running Lead Managers who are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. Any Offshore Derivative Instruments that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any Offshore Derivative Instruments, or in the establishment of the terms of any Offshore Derivative Instruments, or in the preparation of any disclosure related to any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in Offshore Derivative Instruments and do not accept any responsibility whatsoever in connection with any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers.

Prospective investors interested in purchasing any Offshore Derivative Instruments have the responsibility to obtain adequate disclosures as to the issuer(s) of such Offshore Derivative Instruments and the terms and conditions of any such Offshore Derivative Instruments from the issuer(s) of such Offshore Derivative Instruments. Neither SEBI nor any other regulatory authority has reviewed or approved any Offshore Derivative Instruments, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in Offshore Derivative Instruments, including whether Offshore Derivative Instruments are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document; or

(2) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Subsidiaries, our Joint Venture, the Promoters of our Company, our management or any scheme or project of our Company.

It should not, for any reason, be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription / acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)', "bidder" are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue and references to 'Kalpataru Projects', 'KPIL', 'our Company', 'Company', 'the Company' and the 'Issuer' are to Kalpataru Projects International Limited and references to 'we', 'us' or 'our' are to our Company together with our Subsidiaries and Joint Venture on a consolidated basis.

Currency and units of presentation

Unless otherwise specified or the context otherwise requires, all references in this Placement Document, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India and references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

All the numbers in this Placement Document have been presented in crores, unless stated otherwise. One crore represents 10,000,000. Where any figures that may have been sourced from third-party industry sources are expressed in denominations other than crores, such figures appear in this Placement Document expressed in such denominations as provided in their respective sources.

Except as otherwise set out in this Placement Document, all figures set out in this Placement Document have been rounded off to the nearest whole number. However, all figures expressed in terms of percentage, have been rounded off to one or two decimal places, as applicable. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial data and other information

Our Company reports its financial statements in Indian Rupees. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', "Fiscal" or "Fiscal Year" or "FY" or "year ended", are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

As required under the applicable regulations, and for the convenience of prospective investors, we have included the following in this Placement Document:

i. audited consolidated financial statements of our Company as at as at March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act (collectively, the "**Audited Consolidated Financial Statements**"); and

ii. statement of consolidated unaudited financial results for the quarter and half year ended September 30, 2024 and September 30, 2023, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 (4) read with Regulation 63 of the SEBI Listing Regulations (the "**Unaudited Consolidated Financial Results**")

The Audited Consolidated Financial Statements have been audited by our Statutory Auditors, M/s B S R & Co. LLP, Chartered Accountants, who have been appointed as our Statutory Auditors in accordance with Section 139 of the Companies Act, 2013, and they have issued audit reports May 8, 2024, May 8, 2023, and May 14, 2022, respectively. For further details, see "*Statutory Auditors*" on page 283. Further, the Unaudited Consolidated Financial Results have been reviewed by our Statutory Auditors on which they have issued review reports dated October 28, 2024 and November 2, 2023.

The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Unaudited Consolidated Financial Results should be read along with the corresponding review reports. Unaudited Consolidated Financial Results of the Group as of and for the quarter and half year ended September 30, 2024 and September 30, 2023 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations.

Except as specifically indicated otherwise and unless the context requires otherwise, all the consolidated financial information as at and for Fiscal 2024, Fiscal 2023 and Fiscal 2022 included in this Placement Document have been derived from the Audited Financial Statements. Further, except as specifically indicated otherwise and unless the context requires otherwise, all the consolidated financial information as of and for the quarter and half year ended September 30, 2024 and September 30, 2023, included in this Placement Document have been derived from the Unaudited Financial Results.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting standards or principles. Any reliance by persons not familiar with Indian accounting standards on the financial disclosures presented in this Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision. Please see "*Risk Factors – 62. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*" on page 68.

The information on our Company's website shall not form a part of this Placement Document.

Non-GAAP financial measures

We have included certain non-GAAP financial measures relating to our operations and financial performance (together, "**Non-GAAP Financial Measure(s)**") including EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)), EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin, Net Debt (excluding secured loans – others) to EBITDA (excluding other income and exceptional items - gain / (loss) (net)), Net Debt (excluding secured loans – others), Net Debt (excluding secured loans – others) to Equity Attributable to Owners of the Company, Return on Equity, Return on Capital Employed and Net Profit Margin, as well as certain other metrics based on or derived from those Non-GAAP Financial Measures in this Placement Document. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS and are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the refractory businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Financial Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" and "*Risk Factors – 62. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*" on pages 284 and 68, respectively.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. The statistical information included in this Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in "*Industry Overview*" on page 90.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled "*Power, buildings & factories, urban infra, water, oil & gas and railway sectors in India*" dated December, 2024 (the "**CRISIL Report**"), which is a report commissioned and paid for by our Company and prepared and issued by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited, pursuant to an engagement letter dated November 5, 2024, in connection with the Issue. CRISIL is not related in any manner to our Company, our Promoters, our Directors or Key Managerial Personnel or members of Senior Management, our Subsidiaries, or the Book Running Lead Managers.

The Company commissioned CRISIL Report contains the following disclaimer:

*"CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.*

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India."

Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, neither the accuracy nor completeness of information contained in the CRISIL Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument. This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Company nor the Book Running Lead Managers have independently verified this data and make any representation regarding the correctness, accuracy and completeness of such data. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – 59. Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose.*" on page 67.

Further, the calculation of certain statistical and/or financial information / ratios specified in "*Our Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CRISIL Report commissioned by our Company. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute '*forward-looking statements*'. Prospective investors can generally identify forward-looking statements by terminology such as '*aim*', '*anticipate*', '*believe*', '*continue*', '*can*', '*could*', '*estimate*', '*expect*', '*intend*', *'likely',* '*may*', '*objective*', '*plan*', '*potential*', '*project*", '*pursue*', *'seek',* '*shall*', '*should*', '*will*', '*would*', '*will likely result*', '*is likely*', '*are likely*', '*believe*', '*expect*', '*expected to*', '*will continue*', '*will achieve*', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. In addition, even if the results, performance, achievements or developments are consistent with the forward-looking statements contained in this Placement Document, they may not be indicative of results, performance, achievements or developments in subsequent periods. As a result, actual future gains or losses could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others include:

1. We obtain contracts for EPC projects through a competitive bidding process and if we are not eligible to bid for such projects or if we do not win bids, our business, results of operations and financial condition may be adversely affected.

2. We make certain assumptions in connection with the cost of completing a project while submitting bids and if such assumptions were to be inaccurate, we may incur additional costs and our business and results of operations may be adversely affected.

3. We generated a substantial portion of our revenues from regions outside India and any adverse developments in such regions may have an adverse effect on our business and results of operations;

4. Orders in our order book may be delayed, truncated, modified, or cancelled, and notice of awards may be withdrawn or may not translate into confirmed orders, which may have an adverse effect on our business, results of operations and financial condition; and

5. We are dependent on third party suppliers for manufacturing our products and the execution of our projects. Any disruptions in the supply or availability of materials of the appropriate quality standards and fluctuation in their prices may have an adverse impact on our business, results of operations, financial condition and cash flows.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Industry Overview*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Our Business*" on pages 42, 90, 150 and 179, respectively.

The forward-looking statements contained in this Placement Document attributable to us are based on the beliefs of our Company and management, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither we nor the Book Running Lead Managers nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company and our Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company, limited by shares incorporated under the laws of India. Majority of our Directors, Key Managerial Personnel and members of Senior Management named herein are residents of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;
(b) where the judgment has not been given on the merits of the case;
(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
(d) where the proceedings in which the judgment was obtained were opposed to natural justice;
(e) where the judgment has been obtained by fraud; and
(f) where the judgment sustains a claim founded on a breach of any law, then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards (even if such an award is enforceable as a decree or judgement). The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

A total of 12 territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code by the Government of India, comprising The United Kingdom of Great Britain and Northern Ireland, the Colony of Aden (historical; it is now part of the Republic of Yemen), the Republic of Fiji, the Republic of Singapore, the Federation of Malaysia, the Republic of Trinidad and Tobago, New Zealand, the Cook Islands (including Niue, both in free association with New Zealand), the Trust Territory of Western Samoa (now the Independent State of Samoa), the Hong Kong Special Administrative Region of the People's Republic of China, the Independent State of Papua New Guinea, the People's Republic of Bangladesh, and the United Arab Emirates. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per USD), for the years / periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmarks India Private Limited ("**FBIL**"), which are available on the website of the RBI and FBIL, respectively. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

As of December 13, 2024, the exchange rate (RBI reference rate) was ₹ 84.84 to USD 1.00.

(₹ per US$)

	Period end (1)	**Average (2)**	**High(3)**	**Low (4)**
Year ended*				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.51	83.20	76.09
March 31, 2022	75.81	74.51	76.92	72.48
Month ended*				
November 30, 2024	84.50	84.36	84.50	84.11
October 31, 2024	84.09	84.03	84.09	83.81
September 30, 2024	83.79	83.81	83.98	83.49
August 31, 2024	83.87	83.90	83.97	83.73
July 31, 2024	83.74	83.59	83.74	83.40
June 30, 2024	83.45	83.47	83.59	83.07

(Source: www.fbil.org.in and www.rbi.org.in)

Notes:

(1) The price for the period end refers to the price as on the last trading day of the respective year ended March 31 or monthly period.

(2) Represents the average of the official rate for each working day of the relevant period.

(3) Maximum of the official rate for each Working Day of the relevant period.

(4) Minimum of the official rate for each Working Day of the relevant period.

**If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. Period end, high, low and average rates are based on the RBI/FBIL reference rates and rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections "Taxation", "Industry Overview", "Financial Information" and "Legal Proceedings" on pages 253, 90, 284 and 258, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"Our Company", "the Company", "the Issuer", "KPIL"	Kalpataru Projects International Limited, a company incorporated under the Companies Act, 1956, having its registered office at Plot No. 101, Part-III, G.I.D.C Estate, Sector-28, Gandhinagar – 382 028, Gujarat, India and corporate office at "Kalpataru Synergy", 7th Floor, Opp. Grand Hyatt Hotel, Vakola, Santacruz (E), Mumbai – 400 055, Maharashtra, India.
"We", "Our", "Us", "Group"	Unless the context otherwise indicates or implies, refers to our Company along with its Subsidiaries, Joint Venture and joint operations on a consolidated basis

Company Related Terms

Term	Description
Articles or Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 206
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company, its Subsidiaries and its Joint Venture as at March 31, 2024, March 31, 2023 and March 31, 2022 including the statement of assets and liabilities, 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 for the year for Year ended March 31, 2024, March 31, 2023 and March 31, 2022, and the notes to consolidated financial statements, including a summary of material accounting policies and other explanatory information prepared in accordance with the Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act
Auditors / Statutory Auditors	The current statutory auditor of our Company is M/s B S R & Co. LLP, Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof, as disclosed in "*Board of Directors and Senior Management*" on page 201
Chairman and Non-Executive Non-Independent Director	The chairman and non-executive non-independent director of our Company, being Mofatraj P. Munot
Chief Financial Officer	The chief financial officer of our Company is Ram Patodia
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company is Shweta Girotra
Corporate Office	The corporate office of our Company is situated at "Kalpataru Synergy", 7th Floor, Opp. Grand Hyatt Hotel, Vakola, Santacruz (E), Mumbai – 400 055, Maharashtra, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 206
CRISIL Report	The report titled *"Power, buildings & factories, urban infra, water, oil & gas and railway sectors in India"* dated December, 2024, commissioned and paid for by our Company and prepared and issued by CRISIL MI&A

Term	Description
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
Equity Shares	The equity shares of face value of ₹ 2.00 each of our Company
Executive Director(s)	Executive directors of our Company, unless otherwise specified as disclosed in "*Board of Directors and Senior Management*" on page 201
Independent Director(s)	Independent directors of our Company, unless otherwise specified as disclosed in "*Board of Directors and Senior Management*" on page 201
Joint Venture	The joint venture of our Company is Kurukshetra Expressway Private Limited
Key Managerial Personnel or KMP	The key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Board of Directors and Senior Management – Key Managerial Personnel*" on page 209
Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination & remuneration committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 206
Non-Executive Director(s)	Non-executive directors of our Company, unless otherwise specified as disclosed in "*Board of Directors and Senior Management*" on page 201
Non-Executive Non-Independent Director(s)	Non-executive non-independent directors of our Company, unless otherwise specified as disclosed in "*Board of Directors and Senior Management*" on page 201
Promoters	The promoters of our Company in terms of the SEBI ICDR Regulations and the Companies Act are Mofatraj P. Munot and Parag M. Munot
Promoter Group	The individuals and entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company is situated at Plot No. 101, Part-III, G.I.D.C Estate, Sector-28, Gandhinagar – 382 028, Gujarat, India
Risk Management Committee	The risk management committee constituted by our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 206
Scheme of Amalgamation - I	Scheme of amalgamation between Vihar Securities Private Limited ("Transferor Company") and Kalpataru Power Transmission Limited ("Transferee Company") under sections 391 to 394 of the Companies Act, 1956, with the appointed date as April 1, 1995. Pursuant to the Scheme of Amalgamation - I, the Transferor Company was amalgamated into the Transferee Company
Scheme of Amalgamation - II	Scheme of amalgamation between JMC Projects (India) Limited ("Transferor Company") and Kalpataru Power Transmission Limited ("Transferee Company") under sections 230 to 232 of the Companies Act, 2013, with the appointed date as April 1, 2022. Pursuant to the Scheme of Amalgamation - II, the Transferor Company was amalgamated into the Transferee Company
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbbb) of the SEBI ICDR Regulations as disclosed in "*Board of Directors and Senior Management – Members of Senior Management*" on page 209
Shareholders	The shareholders of our Company from time to time
Stakeholders' Relationship Committee	The stakeholders relationship committee of our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 206
Subsidiary or Subsidiaries	The subsidiaries of our Company in accordance with the Companies Act, 2013 as on the date of this Placement Document, as described in "*Organisational structure of our Company*" on page 212. The term "Subsidiary/Subsidiaries" shall be construed accordingly
Unaudited Consolidated Financial Results	Statement of Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2024 and September 30, 2023 prepared in accordance with Regulation 33 and Regulation 52 (4) read with Regulation 63 of the SEBI Listing Regulations along with the limited review report thereon

Issue related terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares, by our Company in consultation with the Book Running Lead Managers, following the determination of the Issue Price to the

Term	Description
	Eligible QIBs on the basis of the Application Forms submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Application Form	Serially numbered, specifically addressed bid cum application form (including any revisions thereof) which was submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	An Eligible QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Manager(s) or BRLM(s)	Collectively, ICICI Securities Limited and Avendus Capital Private Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about December 17, 2024
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that were eligible to participate in the Issue in terms of FEMA, the SEBI FPI Regulations and any other applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an eligible FPI participating through Schedule II of the FEMA Rules. In addition, QIBs outside the United States subscribing for the Equity Shares in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act are also considered Eligible QIBs. Further, FVCIs were not permitted to participate in the Issue and accordingly, are not Eligible QIBs. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 221, 236 and 244, respectively.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style *"KPIL QIP Escrow Account"* with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount in connection with the subscription to the Equity Shares pursuant to the Issue has been deposited by the Bidders and refunds, if any, shall be remitted to unsuccessful Bidders, as set out in the Application Form
Escrow Agreement	Agreement dated December 12, 2024 entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	IndusInd Bank Limited
Floor Price	Floor price of ₹ 1,214.98 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	Offer and issuance of the Equity Shares to the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	December 16, 2024, the date after which our Company (or Book Running Lead Managers on behalf of our Company) ceased acceptance of the Application Forms and the Application Amount
Issue Opening Date	December 12, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) had commenced acceptance of the Application Forms and the Application Amount

Term	Description
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which the Eligible QIBs have submitted their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 1,201.00. Our Company has offered a discount of ₹ 13.98, equivalent to 1.15% on the Floor Price, in terms of the SEBI Regulations.
Issue Size	Aggregate size of the Issue, up to ₹ 1,000.00 crores
Listing Agreement(s)	The agreements entered into by our Company with each of the Stock Exchanges in relation to Equity Shares listed on each of the Stock Exchanges
Monitoring Agency	CRISIL Ratings Limited, being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations
Monitoring Agency Agreement	Monitoring agency agreement dated December 10, 2024 entered into between our Company and the Monitoring Agency
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated December 12, 2024 between our Company and the Book Running Lead Managers
Placement Document	This placement document dated December 16, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Preliminary Placement Document	The preliminary placement document along with the Application Form dated December 12, 2024, issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	December 12, 2024, which is the date of the meeting in which our QIP Committee decided to open the Issue
U.S. Securities Act	The United States Securities Act of 1933, as amended
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who has been Allocated Equity Shares pursuant to the Issue
U.S. / United States	The United States of America
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and applicable provisions of the Companies Act, 1956
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder

Term	Description
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020, and any modifications thereto or substitutions thereof, issued from time to time
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DIN	Director identification number
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal or Year ended	The period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FPI Operational Guidelines	SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
General Meeting	AGM or EGM
GoI or Government	Government of India
GST	Goods and Services Tax
HNI	High net-worth individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income-tax Act, 1961/I.T. Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Accounting Standards as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014
MAT	Minimum alternate tax
MCA	Ministry of Corporate Affairs, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	A non-resident Indian as defined under the FEMA Rules
Non-Resident or NR	A person resident outside India, as defined under the FEMA and includes NRIs, FPIs and FVCIs
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
RoC or Registrar	Registrar of Companies, Gujarat at Ahmedabad

Term	Description
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S./ U.S.A.	The United States of America and its territories and possessions
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as the case may be
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Business, technical and industry related terms

Term	Description
AIBP	Accelerated Irrigation Benefits Programme
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
B&F	Buildings and factories
CIS	Commonwealth of Independent States
CAD&WM	Command area development and water management
EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net))	EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) is calculated as profit after tax plus tax expenses, depreciation and amortization expenses and finance cost, less other income and exception items – gain/ (loss) (net).
EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin	EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin is calculated as EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) divided by revenue from operations.
EHS	Environment, Health and Safety
EPC	Engineering, procurement and construction
HVDC	High-voltage direct current
JJM	Jal Jeevan Mission
LPG	Liquefied petroleum gas
Net Debt (excluding secured loans – others)	Net Debt (excluding secured loans – others) is calculated as long-term borrowings (excluding secured loans – others), short term borrowings and cash and bank balances (including fixed deposits).
Net Debt (excluding secured loans – others) to Equity Attributable to Owners of the Company	Net Debt (excluding secured loans – others) to Equity Attributable to Owners of the Company is calculated as Net Debt (excluding secured loans – others) divided by equity attributable to owners of the Company.
Net Debt (excluding secured loans – others) to EBITDA (excluding other income and exceptional items - gain / (loss) (net)) (in times)	Net Debt (excluding secured loans – others) to EBITDA (excluding other income and exceptional items - gain / (loss) (net)) (in times) is calculated as Net Debt (excluding secured loans – others) divided by EBITDA (excluding other income and exceptional items - gain / (loss) (net)).
Net Profit Margin	Net profit margin is calculated as profit for the year / period as a percentage of revenue from operations
NMCG	National Mission for Clean Ganga
OHS	Occupational Health and Safety

Term	Description
PMKSY	Pradhan Mantri Krishi Sinchayee Yojana
Return on Equity	Return on Equity is calculated as profit for the year/ profit for the period divided by average shareholder’s equity.
Return on Capital Employed	Return on Capital Employed is calculated as profit before interest & tax divided by average capital employed (i.e., equity attributable to owners of the Company plus net debt).
SBM	Swachh Bharat Mission
SPV	Special Purpose Vehicles

SUMMARY OF BUSINESS

We are an engineering, procurement and construction ("**EPC**") company with over four decades of industry experience, a global presence and the capabilities to provide EPC services across across six verticals: (i) power transmission and distribution, (ii) buildings and factories, (iii) water supply and irrigation, (iv) oil and gas, (v) urban infrastructure, and (vi) railways. We provide EPC services managing all aspects of project execution from conceptualizing to commissioning, including design, engineering, supply chain management, manufacturing, project management, construction and operations and maintenance. We have established a multi-national presence with a global reach in 75 countries and ongoing projects in over 30 countries, as of September 30, 2024.

We undertake the following key activities in each of our businesses:

- ***Power transmission and distribution (T&D):*** we are an integrated solutions provider for transmission lines and substations in India and international markets. We provide end-to-end solutions ranging from in-house designs, engineering, testing, procurement, fabrication, erection, installation, and commissioning of power transmission lines up to 1200 KV, substations up to 765 KV, air-insulated substation (AIS) and 400 KV gas insulated substations (GIS), solar EPC and underground cabling. We also operate tower testing station in India, capable of testing transmission tower up to 1,200 KV. Over the past few years, we have scaled-up our T&D business through improved capabilities and expanded global reach. Our order book for our power transmission and distribution business has grown from ₹11,080.98 crore as of March 31, 2022 to ₹22,268.86 crore as of September 30, 2024. Our T&D order book is well diversified across India, SAARC, Americas, Africa, Europe, Middle East, Commonwealth of Independent States ("**CIS**") and Asia-Pacific.

- ***Buildings and factories (B&F):*** we provide EPC services including design-built offerings for all types of building and factory projects catering to several sectors including healthcare, institutions, residential developments, townships, commercial ventures, industrial facilities, hospitality establishments, IT office spaces, data centers, airports, manufacturing plants and service sectors. We execute diverse projects encompassing comprehensive construction services including design, mechanical, electrical, procurement, supply, installation, testing, and commissioning. We believe our strong execution track record has helped us build a strong reputation as an EPC partner for large real estate developers. We are focusing on large design-build projects and expanding our presence in areas such as data centers, airports, and industrial plants. Our order book for our buildings and factories business has grown from ₹7,989.59 crore as of March 31, 2022 to ₹13,156.40 crore as of September 30, 2024.

- ***Water supply and irrigation:*** our EPC offerings encompass the full range of water infrastructure development, from conceptualization to execution and operations and maintenance. Our expertise lies in various water infrastructure projects such as the development of water networks, storage, construction of water treatment facilities, irrigation systems, and water linkage projects. We have built a strong order book in the water supply business, driven by Government of India's initiative to provide safe and adequate drinking water to individual households in rural areas. We are also exploring opportunities in new markets by leveraging our international presence. Our order book for our water supply and irrigation business has grown from ₹6,499.54 crore as of March 31, 2022 to ₹10,518.91 crore as of September 30, 2024.

- ***Oil and gas**:* we undertake EPC contracting for oil and gas cross-country pipelines, liquefied petroleum gas ("**LPG**") import and handling terminals, process plants, gas gathering and compressor stations, oil and gas field development, and petrochemicals. We have well-qualified design, engineering, procurement, planning and project control, construction and commissioning teams that provide end-to-end solutions to our customers. In Fiscal 2024, we secured a significant order for a gas pipeline in the Middle East, reflecting our capabilities in the oil and gas sector. Our order book for our oil and gas business has grown from ₹1,931.24 crore as of March 31, 2022 to ₹8,473.50 crore as of September 30, 2024.

- ***Urban infrastructure**:* we provide design and construction services across diverse sectors, including elevated metro systems, elevated corridors, flyovers, bridge structures, tunnels for metro rail, roadways and highways projects. We are strengthening our capabilities in the urban infrastructure space and have secured significant orders for elevated and underground metro rail projects in India. Our order book for our urban infrastructure business has remained steady from ₹2,649.15 crore as of March 31, 2022 to ₹2,643.83 crore as of September 30, 2024.

- ***Railways****:* we provide services for constructing railway infrastructure, which include various offerings such as railway electrification, track installation, earthwork, traction substations, bridge construction, station development, workshop establishment, signalling, and telecommunication installations. We are focusing on expanding our railways business internationally particularly in markets where we have a sizeable presence. Our order book for our railways business has grown from ₹2,610.66 crore as of March 31, 2022 to ₹3,569.51 crore as of September 30, 2024.

We operate two tower manufacturing plants located in Gandhinagar, Gujarat and Raipur, Chhattisgarh with an aggregate commissioned capacity of 240,000 MTPA. We undertake manufacturing of transmission towers, poles, railway structures, girders, formwork and scaffolding, as of September 30, 2024. We have exported our transmission towers to over 70 countries. We have different certifications as per ISO 9001:2015 (quality management systems), ISO 45001:2018 (occupational health and safety management systems), ISO 14001:2015 (environmental management systems) across different project sites, manufacturing plants and offices.

We have two biomass power plants in Rajasthan, India with a combined capacity of 15.8 MW. We utilise biomass as a fuel to produce clean energy. Additionally, our Subsidiary, Shree Shubham Logistics Limited, is engaged in providing end-to-end logistical solutions in the agricultural sector, spanning warehousing, cold storage, testing and certification and collateral management services. We have four road SPVs having toll-based road assets in India.

We have adopted sustainable business practices across our organization reflecting our commitment to environmental stewardship, social responsibility, human capital development and ethical business practices. Our commitment to sustainability includes our goals of carbon neutrality, water neutrality and circularity, which are centric to our daily operations. Our focus on sustainability has also won us the prestigious 'Best Zero Carbon Emission Initiative of the Year 2024' Award from UBS Forums for our outstanding efforts in the Transmission and Distribution Division (International).

As of September 30, 2024, we had an Order Book of ₹ 60,631.01 crore, of which 55.45% was from domestic customers, while 45.55% was from international customers. As of the same date, we had over 250 ongoing projects in over 30 countries. Further, we have an established track record of revenue growth and profitability over the last three Fiscals with our revenue from operations growing at a CAGR of 15.24% between Fiscals 2022 and 2024.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 42, 79, 234, 221 and 250, respectively.

Issuer	Kalpataru Projects International Limited
Face value	₹ 2.00 per Equity Share
Issue Price	₹ 1,201.00 per Equity Share (including a premium of ₹ 1,199.00 per Equity Share)
Floor Price	₹ 1,214.98 per Equity Share, calculated in accordance with Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company has offered a discount of ₹ 13.98, equivalent to 1.15% on the Floor Price, in terms of the SEBI Regulations.
Issue Size	Issue of up to 83,26,394 Equity Shares, aggregating up to ₹ 1,000.00 crores, at a premium of ₹ 1,199.00 each A minimum of 10% of the Issue Size i.e., up to 8,32,640 Equity Shares, were made available for Allocation to Mutual Funds only, and the balance 74,93,754 Equity Shares were made available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof could have been Allotted to other Eligible QIBs.
Date of Board Resolution authorizing the Issue	October 28, 2024
Date of shareholders' resolution authorizing the Issue	November 30, 2024
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who were eligible to bid and participate in the Issue. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered was determined by our Company in consultation with the Book Running Lead Managers, at its discretion. For further details, see "*Issue Procedure – Eligible QIBs*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations"* on pages 226, 236 and 244, respectively.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 250 and 89, respectively
Taxation	See "*Taxation*" on page 253
Equity Shares issued and outstanding immediately prior to the Issue	16,24,46,152 equity shares of face value of ₹ 2.00 each
Subscribed and paid-up Equity Share capital prior to the Issue	₹ 32.49 crores
Equity Shares issued and outstanding immediately after the Issue	17,07,72,546 equity shares of face value of ₹ 2.00 each
Issue procedure	This Issue was made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, please see "*Issue Procedure*" on page 221.
Listing and trading	Our Company has obtained in-principle approvals from NSE and BSE, each dated December 12, 2024, respectively, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for the listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges for the final listing and trading approvals for the Equity Shares, after the Allotment and credit of Equity Shares to the beneficiary account with the Depository Participants. The trading of the Equity Shares would be in dematerialised form and only in the cash segment of each of the Stock Exchanges.
Lock-up	For details in relation to lock-up, see "*Placement – Lock-up*" on page 234
Proposed Allottees	See "*Details of Proposed Allottees*" on page 287 for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company

<table>
<tr><td>Transferability restrictions</td><td colspan="2">The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. For details in relation to other transfer restrictions, see “Transfer Restrictions and Purchaser Representations” on page 244.</td></tr>
<tr><td>Use of proceeds</td><td colspan="2">The gross proceeds from the Issue aggregates up to ₹ 1,000.00 crores.

The Net Proceeds from the Issue, after deducting fees, commissions and estimated expenses of the Issue (including applicable taxes), will be approximately ₹ 982.11 crores, which is proposed to be utilized for (i) repayment / prepayment, in part or full of certain outstanding borrowings availed by our Company and (ii) general corporate purposes.

For details, see “Use of Proceeds” on page 79 for additional information regarding the use of Net Proceeds from the Issue.</td></tr>
<tr><td>Risk factors</td><td colspan="2">For details, see “Risk Factors” on page 42 for a discussion of risks you should consider before participating in the Issue</td></tr>
<tr><td>Closing Date</td><td colspan="2">The Allotment of the Equity Shares issued pursuant to the Issue is expected to be made on or about December 17, 2024</td></tr>
<tr><td>Ranking and Dividend</td><td colspan="2">The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares of our Company, including in respect of voting rights and dividends.

The holders of Equity Shares (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act, 2013. For further details, see “Dividends” and “Description of the Equity Shares” on pages 89 and 250, respectively.</td></tr>
<tr><td>Voting Rights</td><td colspan="2">See “Description of the Equity Shares – Voting Rights” on page 251</td></tr>
<tr><td rowspan="3">Security codes for the Equity Shares</td><td>ISIN</td><td>INE220B01022</td></tr>
<tr><td>BSE Code</td><td>522287</td></tr>
<tr><td>NSE Symbol</td><td>KPIL</td></tr>
</table>

SUMMARY OF FINANCIAL INFORMATION

The following selected financial information of our Company is extracted from and should be read in conjunction with, the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results included elsewhere in this Placement Document. You should refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 150, for further discussion and analysis of the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results. For further details, see "Financial Information" on page 284.

Summary of statement of assets and liabilities as at September 30, 2024 and September 30, 2023 and audited consolidated balance sheets as at March 31, 2024, March 31, 2023 and March 31, 2022

(In ₹ crores)

Particulars			As at				
			September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
ASSETS							
1	**Non-Current Assets**						
	(a)	Property, Plant and Equipments	1,938.16	1,968.80	1,996.33	1,980.78	1,626.61
	(b)	Capital Work in Progress	42.09	13.61	33.32	52.28	19.91
	(c)	Right of Use Assets	128.02	97.11	102.93	106.16	133.70
	(d)	Investment Property	-	-	-	-	0.82
	(e)	Goodwill	183.29	181.25	184.30	183.61	184.21
	(f)	Other Intangible Assets	763.45	817.23	789.48	853.88	1,613.23
	(g)	Intangible Assets Under Development	-	-	-	-	4.72
	(h)	Financial Assets					
		(i) Investments	-	0.09	-	1.55	1.49
		(ii) Trade Receivables	88.00	192.14	131.05	188.79	215.17
		(iii) Others	181.84	182.56	194.73	156.34	160.50
	(i)	Deferred Tax Assets (net)	210.87	145.69	187.66	178.43	198.02
	(j)	Non-Current Tax Assets (net)	0.74	0.67	1.17	0.59	7.18
	(k)	Other Non-Current Assets	149.16	120.40	137.81	127.19	133.54
		Total Non-Current Assets	**3,685.62**	**3,719.55**	**3,758.78**	**3,829.60**	**4,299.10**
2	**Current Assets**						
	(a)	Inventories	1,545.05	1,347.48	1,353.36	1,228.47	1,096.03
	(b)	Financial Assets					
		(i) Investments	-	-	-	3.08	3.20
		(ii) Trade Receivables	6,052.63	4,743.49	5,805.29	5,251.25	4,577.42
		(iii) Cash and Cash Equivalents	705.09	525.43	1,009.33	956.43	1,061.76
		(iv) Bank Balances Other than (iii) above	59.28	89.76	22.66	103.44	132.26
		(v) Loans	62.82	102.52	62.82	57.52	151.34
		(vi) Others	733.74	419.70	465.63	422.87	271.75
	(c)	Current Tax Assets (net)	186.26	174.97	161.49	185.78	122.20
	(d)	Other Current Assets	9,143.35	8,426.35	8,379.78	6,519.77	4,979.58
	(e)	Asset classified as held for sale	1,027.03	1,029.53	1,018.57	1,022.64	516.87
		Total Current Assets	**19,515.25**	**16,859.23**	**18,278.93**	**15,751.25**	**12,912.41**
TOTAL ASSETS			**23,200.87**	**20,578.78**	**22,037.71**	**19,580.85**	**17,211.51**
EQUITY AND LIABILITIES							
1	**Equity**						
	(a)	Equity Share Capital	32.49	32.49	32.49	32.49	29.78

Particulars			As at				
			September 30, 2024	**September 30, 2023**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
	(b)	Other Equity	5,161.31	4,801.50	5,105.50	4,688.13	4,248.79
		Equity Attributable to Owners of the Company	5,193.80	4,833.99	5,137.99	4,720.62	4,278.57
	(c)	Non-Controlling Interests	(34.46)	(32.39)	(25.18)	(26.76)	138.90
		Total Equity	**5,159.34**	**4,801.60**	**5,112.81**	**4,693.86**	**4,417.47**
2	**Liabilities**						
	Non-Current Liabilities						
	(a)	Financial Liabilities					
		(i) Borrowings*	1,465.98	1,298.44	1,447.54	1,214.83	1,553.45
		(ia) Lease Liabilities	56.36	44.99	45.76	54.80	74.31
		(ii) Trade Payables					
		(a) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
		(b) total outstanding dues of creditors other than micro enterprises and small enterprises	106.08	134.85	115.60	161.40	325.72
		(iii) Other Financial Liabilities	447.48	411.14	428.87	393.17	444.60
	(b)	Provisions	49.76	34.55	52.12	76.05	92.65
	(c)	Deferred Tax Liabilities (net)	12.91	33.93	23.30	60.21	95.71
	(d)	Other Non-Current Liabilities	18.12	162.98	24.08	326.51	673.77
		Total Non-Current Liabilities	**2,156.69**	**2,120.78**	**2,137.27**	**2,286.97**	**3,260.21**
	Current Liabilities						
	(a)	Financial Liabilities					
		(i) Borrowings*	3,277.19	2,572.53	2,461.66	2,467.63	2,155.49
		(ia) Lease Liabilities	59.10	51.81	53.24	48.87	54.53
		(ii) Trade Payables					
		(a) total outstanding dues of micro enterprises and small enterprises	334.21	217.12	224.89	153.40	159.09
		(b) total outstanding dues of creditors other than micro enterprises and small enterprises	5,164.88	4,519.44	5,630.58	4,750.44	4,094.24
		(iii) Other Financial Liabilities	840.67	817.06	856.55	563.21	699.44
	(b)	Other Current Liabilities	5,191.74	4,532.45	4,636.91	3,613.30	1,908.85
	(c)	Provisions	555.06	502.03	470.53	416.60	433.78
	(d)	Current Tax Liabilities (net)	85.21	7.43	43.83	121.90	28.41
	(e)	Liabilities directly associated with assets held for sale	376.78	436.53	409.44	464.67	-
		Total Current Liabilities	**15,884.84**	**13,656.40**	**14,787.63**	**12,600.02**	**9,533.83**
TOTAL EQUITY AND LIABILITIES			**23,200.87**	**20,578.78**	**22,037.71**	**19,580.85**	**17,211.51**

**Excluding borrowing pertaining to assets held for sale*

Summary of unaudited consolidated statement of profit and loss for half year ended September 30, 2024 and September 30, 2023 and audited consolidated statement of profit and loss for Year ended March 31, 2024, March 31, 2023 and March 31, 2022

(in ₹ crores)

S.No.	Particulars	For the half year ended		For the year ended		
		September 30, 2024	**September 30, 2023**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
1	**Income**					
	(a) Revenue from Operations	9,516.53	8,759.34	19,626.43	16,361.44	14,777.38
	(b) Other Income	39.04	29.76	63.99	39.70	88.92
	Total Income	**9,555.57**	**8,789.10**	**19,690.42**	**16,401.14**	**14,866.30**
2	**Expenses**					
	(a) Cost of Materials Consumed	3,660.90	3,651.85	8,187.39	6,983.77	6,421.34
	(b) Changes in Inventories of Finished goods and Work in progress	(88.37)	(62.99)	17.71	(13.46)	24.66
	(c) Erection, Sub-Contracting and other Project Expenses	3,624.87	3,020.27	6,595.43	5,413.50	4,693.16
	(d) Employee Benefits Expenses	943.74	823.10	1,717.63	1,446.88	1,299.08
	(e) Finance Costs	294.59	252.28	518.08	466.75	396.33
	(f) Depreciation and Amortization Expenses	236.51	233.21	473.29	391.75	350.78
	(g) Expected credit losses provision for loans and advances given to subsidiaries/ joint venture	-	-	-	2.81	95.26
	(h) Other Expenses	558.24	573.93	1,479.70	1,158.40	1,054.32
	Total Expenses	**9,230.48**	**8,491.65**	**18,989.23**	**15,850.40**	**14,334.93**
3	**Profit Before share of profit / (loss) of Joint venture and Exceptional Item**	**325.09**	**297.45**	**701.19**	**550.74**	**531.37**
	Share of Profit/ (Loss) from Joint Venture	-	-	-	-	(19.89)
4	**Profit Before Exceptional Item and tax**	**325.09**	**297.45**	**701.19**	**550.74**	**511.48**
	Exceptional Items -gain/(loss)	-	-	-	90.78	184.93
5	**Profit Before Tax**	**325.09**	**297.45**	**701.19**	**641.52**	**696.41**
6	**Tax Expense**					
	Current Tax	142.01	95.20	223.40	265.64	191.59
	Deferred Tax	(26.43)	(0.90)	(38.11)	(59.14)	(30.24)
7	**Profit for the year**	**209.51**	**203.15**	**515.90**	**435.02**	**535.06**
8	**Other Comprehensive Income**					
	Items that will not be reclassified subsequently to Profit or Loss					
	Actuarial Gain /(Loss) on Defined Plan Liability (A)	(2.85)	0.89	(5.12)	1.99	0.71
	Income tax on Actuarial Gain / (Loss) (B)	0.72	(0.22)	1.29	(0.50)	(0.18)
	Sub-total = (A+B)	**(2.13)**	**0.67**	**(3.83)**	**1.49**	**0.53**
	Items that will be reclassified subsequently to Profit or Loss					
	(a) Exchange differences in translating foreign operation (C)	(155.76)	(13.25)	6.42	(15.46)	36.13
	(b) Gain/(Loss) on hedging instruments(D)	114.06	27.64	11.37	(58.08)	19.14
	Income tax on above items (E)	10.80	(4.48)	(5.02)	16.38	(11.88)
	Sub-total (F) = (C + D + E)	**(30.90)**	**9.91**	**12.77**	**(57.16)**	**43.39**

S.No.	Particulars	For the half year ended		For the year ended		
		September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
9	**Total Other Comprehensive Income**	**(33.03)**	**10.58**	**8.94**	**(55.67)**	**43.92**
10	**Total Comprehensive Income for the year/ period**	**176.48**	**213.73**	**524.84**	**379.35**	**578.98**
	Profit for the year attributable to					
	Owners of the Company	218.33	204.12	509.61	440.75	540.30
	Non-controlling interests	(8.82)	(0.97)	6.29	(5.73)	(5.24)
11	**Profit for the Year/ period**	**209.51**	**203.15**	**515.90**	**435.02**	**535.06**
	Total Other Comprehensive Income attributable to					
	Owners of the Company	(32.57)	10.92	9.33	(42.34)	34.22
	Non-controlling interests	(0.46)	(0.34)	(0.39)	(13.33)	9.70
12	**Total Other Comprehensive Income for the Year/ period**	**(33.03)**	**10.58**	**8.94**	**(55.67)**	**43.92**
	Total Comprehensive Income for the year attributable to					
	Owners of the Company	185.76	215.04	518.94	398.41	574.52
	Non-controlling interests	(9.28)	(1.31)	5.90	(19.06)	4.46
	Total Comprehensive Income for the year/ period	**176.48**	**213.73**	**524.84**	**379.35**	**578.98**
13	**Earnings per Equity Share (of ₹ 2 each)**					
	Basic and Diluted (₹)	13.44	12.57	31.37	29.06	36.28

Summary unaudited consolidated statement of cash flow for the half year ended September 30, 2024 and September 30, 2023 and audited consolidated statement of cash flows for Year ended March 31, 2024, March 31, 2023 and March 31, 2022

(in ₹ crores)

S. No.	Particulars	For the half year ended		For the year ended		
		September 30, 2024	**September 30, 2023**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**					
	Profit for the year	209.51	203.15	515.90	435.02	535.06
	Adjustments for:					
	Tax Expenses	115.58	94.30	185.29	206.50	161.35
	Share of Loss of Joint Venture	-	-	-	-	19.89
	Depreciation and Amortization Expenses	236.51	233.21	473.29	391.75	350.78
	Finance Costs	294.59	252.28	518.08	466.75	396.33
	Impairment loss on property plant and equipments	-	-	-	18.22	37.71
	Gain on sale of subsidiary and joint venture (net)	-	-	-	-	(262.41)
	Dividend Income	-	-	-	(0.08)	(0.10)
	Interest Income	(19.32)	(25.71)	(57.80)	(34.05)	(35.28)
	Gain on disposal of Property, Plant and Equipments (net)	(14.58)	(2.02)	2.13	6.65	(18.61)
	Bad Debt written off	-	-	-	-	0.25
	Liabilities Written Back	(0.43)	(0.61)	(0.93)	(0.57)	(21.67)
	Allowance for Expected Credit Losses	14.66	(10.86)	81.70	(10.27)	39.26
	Expected credit losses provision for loans given to JV and others	-	0.89	-	2.81	95.26
	Impairment loss on asset held for sale	0.61	0.03	0.03	0.05	0.68
	Unrealised Foreign Exchange (Gain) / Loss (net)	19.98	5.33	42.35	(9.76)	(29.27)
	Net Gain arising on financial assets	-	(0.23)	(0.23)	(0.14)	(0.30)
	Operating Profit before Working Capital changes	**857.11**	**749.76**	**1,759.81**	**1,472.88**	**1,268.93**
	Adjustments for:					
	Trade and other Receivables	(1,269.41)	(1,423.79)	(2,486.27)	(2,321.71)	(950.18)
	Inventories	(191.69)	(119.01)	(124.87)	(132.44)	13.50
	Trade, other payables and provisions	318.56	894.33	1,976.58	1,864.60	644.87
	Cash Generated from Operations	(285.43)	101.29	1,125.25	883.33	977.12
	Income Tax Paid	(107.72)	(196.52)	(282.29)	(226.94)	(263.46)
	Net cash generated from / (used in) operating activities	**(393.15)**	**(95.23)**	**842.96**	**656.39**	**713.66**
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)	(289.12)	(107.26)	(351.58)	(771.48)	(308.10)
	Proceeds from disposal of Property, Plant and Equipment	46.81	1.12	32.92	52.13	46.68
	Proceeds from sale of subsidiary and joint venture (net)	-	-	-	273.72	156.71
	Proceeds from sale Mutual Funds and Investments (net)	-	4.80	4.86	0.20	(3.26)
	Loans (given to) / received back from Joint Ventures (net)	-	-	45.00	(2.81)	(17.43)

S. No.	Particulars	For the half year ended		For the year ended		
		September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
	Loans (given to) / received back from others	-	-	(45.00)	99.11	22.26
	Loans received back from others	50.00	-	-	-	-
	Loans given to others	(50.00)	(45.89)	-	-	-
	Interest received	19.32	25.71	52.50	34.05	35.28
	Dividend received	-	-	-	0.08	0.10
	Payment for acquisition of subsidiary	-	-	-	-	(62.24)
	Deposits with Banks (net)	(18.55)	18.45	(1.79)	(11.13)	(125.02)
	Net cash used in investing activities	**(241.54)**	**(103.07)**	**(263.09)**	**(326.13)**	**(255.02)**
C.	**Cash flow from financing activities:**					
	Proceeds from Issue of shares to Minority Shareholders	-		-		8.00
	Purchase of Equity Instruments from Minority Shareholders	-		-	(93.60)	-
	Proceeds from Current/Non-Current Borrowings	171.22	12.18	136.59	227.76	479.97
	Proceeds from Issue of Non-Convertible Debentures	300.00	300.00	600.00	274.00	200.00
	Redemption of Non-Convertible Debentures	(223.00)	(100.00)	(225.00)	(278.32)	(233.33)
	Repayment of Current/Non-Current Borrowings	(159.94)	(277.32)	(441.35)	(608.19)	(313.15)
	Net increase / (decrease) in short-term borrowings	703.59	225.24	86.79	696.80	380.11
	Payment of lease liability	(36.80)	(29.24)	(63.60)	(62.44)	(53.02)
	Finance Costs Paid	(290.51)	(250.56)	(503.76)	(491.69)	(405.35)
	Dividend Paid including tax thereon	(129.96)	(113.71)	(113.71)	(96.77)	(22.34)
	Dividend Paid to Minority Shareholders	-	-	-	(5.43)	(15.90)
	Net cash generated from / (used in) financing activities	**334.60**	**(233.41)**	**(524.04)**	**(437.88)**	**24.99**
D.	Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	(4.67)	0.50	(3.13)	3.37	-
E.	**Net increase/ (decrease) in cash and cash equivalents (A+B+C+D)**	**(304.76)**	**(431.21)**	**52.70**	**(104.25)**	**483.63**
F.	Cash and Cash Equivalent acquired in business combination	-	-	-	-	40.60
G.	**Opening Cash and Cash Equivalents**	**1,010.21**	**957.51**	**957.51**	**1,061.76**	**537.53**
H.	**Closing Cash and Cash Equivalents (E+F+G)**	**705.45**	**526.30**	**1,010.21**	**957.51**	**1,061.76**
As at						
	Notes:					
(i)	Cash and Cash Equivalents at the end of the year comprises:					
	(a) Cash on hand	3.10	3.78	2.91	3.79	2.41
	(b) Cheques on hand	-	44.58	-	-	0.02
	(c) Balance with Banks					
	(i) In current accounts	600.35	477.29	1,005.76	944.17	995.68
	(ii) In fixed deposit accounts	102.00	0.65	1.54	9.55	63.65
	Cash and Cash Equivalents as per statement of cash flows*	**705.45**	**526.30**	**1,010.21**	**957.51**	**1,061.76**

**Cash and Cash Equivalent includes ₹ 0.36 Crores for period ended September 30, 2024, ₹ 0.88 Crores for the year ended March 31, 2024 and ₹1.08 Crores for the year ended March 31, 2023 pertaining to assets held for sale.*

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the (i) Year ended March 31, 2024, (ii) Year ended March 31, 2023 and (iii) Year ended March 31, 2022, as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, please see *"Financial Information"* on page 284.

RISK FACTORS

This Issue and an investment in the Equity Shares involve a certain degree of risk. You should carefully consider all the risks and uncertainties described below as well as other information contained in this Placement Document before making an investment in the Equity Shares. If any particular risk or some combination of the risks described below actually occurs, our business, results of operation, financial condition and cash flows could be adversely affected, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or become material in the future. This section should be read together with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 90, 179 and 150, respectively, as well as the financial statements, including the notes thereto, and other financial information included in "Financial Information" on page 284.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information as at and for the years ended March 31, 2022, March 31, 2023 and March 31, 2024 included herein is derived from our Audited Consolidated Financial Statements, and the financial information for the half year ended September 30, 2023 and 2024 included herein is derived from our Unaudited Consolidated Financial Results included in this Placement Document. For further information, see "Financial Information" on page 284. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Power, buildings & factories, urban Infra, water, oil & gas and railway sectors in India" dated December 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL**"), appointed by us on November 5, 2024 and exclusively commissioned and paid for by us to enable investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner.*

Internal Risk Factors

1. We obtain contracts for EPC projects through a competitive bidding process and if we are not eligible to bid for such projects or if we do not win bids, our business, results of operations and financial condition may be adversely affected.

We operate across six verticals namely, power transmission and distribution, buildings and factories, water supply and irrigation, oil and gas, urban infrastructure and railways and most of the projects that we undertake are awarded to us through a competitive bidding process. We are required to meet certain operational and financial criteria in order to bid for projects and hence pre-qualification is an important factor that enables us to win projects. Such criteria may include our prior experience in executing similar projects, our technical expertise, safety record, financial strength and ability to provide performance guarantees. Further, the price that we quote for a project is an important factor for us to be awarded the project. While we have won bids and been awarded contracts in the past, we cannot assure you that we will continue to win such bids in the future.

The tender process may be subject to changes in the qualification criteria or unexpected delays and we cannot assure you that the projects that we bid for will be awarded within a reasonable time or at all. Also, projects awarded to us may be subject to litigation by unsuccessful bidders, which may result in a delay in the award of the projects and/or notification of appointed dates for the bids where we have been successful. We may be required to incur substantial expenditure, time and resources in defending such litigation. In certain cases, we may enter into consortium and other arrangements with other EPC organizations and construction contractors who possess required pre-qualifications and registrations that will enable us to bid for projects. If we are unable to enter into such arrangements in the future, we may be unable to bid for certain projects where we do not meet the pre-qualification criteria ourselves, which may adversely affect our business, results of operations and financial condition.

2. ***Our projects are exposed to implementation and other risks and uncertainties, which if were to materialize, could have an adverse effect on our business, results of operations and financial condition.***

Our projects are exposed to various risks and uncertainties inherent in engineering and construction projects, such as:

- we are subject to the risk of equipment failure or industrial accidents that may cause injury or the loss of life, severe damage and destruction of property and equipment;
- we may be unable to obtain adequate capital on commercially acceptable terms to complete the construction of our projects;
- we may be unable to provide performance guarantees that are required under our project agreements;
- we may experience shortages of or an increase in the price of materials required for our projects that may not be covered under cost escalation provisions in our contracts;
- we may not receive timely regulatory approvals or permits required for development and operation of our projects, such as environmental clearances, mining, forestry or other approvals from relevant authorities;
- we may experience delays in the acquisition of land by government authorities;
- we may encounter unforeseen engineering or design related issues or geological, construction, excavation related matters;
- we may experience disputes with workers, extreme weather conditions such as floods or earthquakes;
- default by the counterparty on its performance;
- delays in getting right of use or right of way required for the project; and
- the delay in completion and commercial operation of a project could increase our finance costs.

Further, certain projects that we undertake may be in terrains that are difficult to operate in and subject us to additional risks inherent in undertaking such complex projects. For example, specialized equipment or unique building techniques required to complete a project may require us to employ persons with specific skill sets that are typically not found in the existing workforce, leading to potential delays in execution. If any of these risks were to materialize, our business, results of operations and financial condition may be adversely affected.

3. ***We make certain assumptions in connection with the cost of completing a project while submitting bids and if such assumptions were to be inaccurate, we may incur additional costs and our business and results of operations may be adversely affected.***

We include certain assumptions as part of the bids that we prepare and consequently, the profitability of these contracts will significantly be determined by the accuracy of our assumptions and estimates used in the costing of the contract and how efficiently we execute the contract. However, our assumptions may not be entirely accurate and could result in cost overruns in the projects we bid for, which may adversely affect our business and results of operations.

The bids that we prepare for submission as part of the tender process for projects include certain underlying assumptions including those in connection with the cost of construction materials, fuel, labour, sub-contracting costs and other inputs, project duration, and construction conditions that we anticipate in connection with the project. We also identify and monitor risks in achieving the technical requirements, meeting the specified delivery schedule and cost aspects of the contract and assess the effects of those risks on our estimates and assumptions of total costs to complete the contract. However, our costs in executing a project may exceed those that we have anticipated and may not be covered under price escalation clause in our contracts. For example, our costs incurred in executing a project are subject to risks including rising fuel and power costs, costs associated with construction materials such as steel and cement prices and labour costs. Any unexpected fluctuations in prices after we execute our contracts, or a shortage or delay in the receipt of materials required, or quality defects, may increase our expenses and adversely affect our ability to complete our projects within required timelines and budgets. Further, any alterations in design specifications or variations in the interpretation of design requirements from the tendering phase to the actual delivery phase could disrupt the schedules and budgets of the project, adversely impacting our business and results of operations.

Our contracts include certain price escalation clauses pursuant to which we are allowed to raise claims for certain cost escalations. Typically, there are two types of escalation clauses in our contracts, one that requires the client to reimburse us in case of a variation in the prices of key construction materials (such as, steel and cement) based on actual costs incurred and other that includes a formula that splits the contract into pre-defined components such as cement, steel, other materials, plant and machinery, labour and fuel, and links the escalation in amounts payable by the client to pre-defined price indices published periodically by the RBI or the Government of India or other relevant authorities. If our cost overruns are greater than the increase in market rates, we may not be able to recover all of our additional expenses. Further, we enter into certain fixed-price contracts that do not include any price variation or escalation clauses, in which case we bear the entire risk of price increases. Consequently, if our assumptions in connection with the cost of completing a project are inaccurate, we may incur additional expenses and our business and results of operations may be adversely affected.

4. ***We generated a substantial portion of our revenues from regions outside India and any adverse developments in such regions may have an adverse effect on our business and results of operations.***

We generated a substantial portion of our revenues from regions outside of India. The following table sets forth details of our revenues generated within India and outside India for periods indicated:

Geography	For the year ended March 31, 2022		For the year ended March 31, 2023		For the year ended March 31, 2024	
	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations
Within India (A)	9,828.86	66.51%	10,917.13	66.72%	12,206.08	62.19%
Outside India (B)	4,948.52	33.49%	5,444.31	33.28%	7,420.35	37.81%
Revenue from operations (C) = (A) + (B)	**14,777.38**	**100.00%**	**16,361.44**	**100.00%**	**19,626.43**	**100.00%**

Geography	For the half year ended September 30, 2023		For the half year ended September 30, 2024	
	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations
Within India (A)	5,661.45	64.63%	6,047.65	63.55%
Outside India (B)	3,097.89	35.37%	3,468.88	36.45%
Revenue from operations (C) = (A) + (B)	**8,759.34**	**100.00%**	**9,516.53**	**100.00%**

Consequently, our international operations are subject to risks that are specific to each region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, labour laws, intellectual property enforcement issues and changes in investment policies. Further, geopolitical issues and civil unrest can pose significant challenges. An economic slowdown in any of these regions could result in a decline in government spending on projects that we undertake and adversely affect our business. Certain international projects could also be affected due to geo-political events such as war and hostilities between countries in which we do not operate but which could result in blockage and embargo on shipping lines carrying material to our project sites. Such event could cause delay in execution of our projects and increase cost of shipping of materials which may not have been factored in our costs or in the contracts. We have ongoing projects in some countries, including Afghanistan, Ukraine, Myanmar and Bangladesh that are affected by geo-political issues, including civil unrest.

If we are unable to effectively manage our global operations and related risks as continue to enter into new markets, we may be subject to unanticipated costs and legal or regulatory regimes that we may not be familiar with. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws of different jurisdictions. While there have been no instances where we had to face significant unanticipated costs or were subject to any legal or regulatory actions on account of our international operations during the last three Fiscals and six months ended September 30, 2024 which had a material adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instances will not arise in the future.

5. ***Orders in our order book may be delayed, truncated, modified, or cancelled, and notice of awards may be withdrawn or may not translate into confirmed orders, which may have an adverse effect on our business, results of operations and financial condition.***

Our Order Book comprises our estimated revenues from the unexecuted portions of all our existing contracts as of a particular date and is calculated on the basis of the aggregate contract value of our ongoing projects as of such date. Our order book information included in this Placement Document is not audited and only indicates our future earnings but the same may not be actualised. Our order book should not be considered in isolation or as a substitute for performance measures. The table below sets forth details of our order book as of September 30, 2024:

Business	**Order book as of September 30, 2024**	
	Amount (₹ crore)	**% of order book**
Power Transmission and Distribution	22,268.86	36.73%
Buildings and Factories	13,156.40	21.70%
Water Supply and Irrigation	10,518.91	17.35%
Oil and Gas	8,473.50	13.98%
Railways	3,569.51	5.88%
Urban Infrastructure	2,643.83	4.36 %
Total	**60,631.01**	**100.00%**

However, project delays, modifications in the scope including truncation of order size, changes in client requirements or cancellations of orders may occur from time to time due to several factors. For example, in some of our projects, we or our clients are obliged to take certain actions, such as acquiring land, securing right of way, clearing forests, securing required licenses, authorizations or permits, making advance payments or opening of letters of credit or moving existing utilities, which may be delayed due to our client's non-performance, our own breaches or force majeure events. Accordingly, the realization of our order book and the effect on our results of operations may vary significantly between reporting periods depending on the nature of such contracts, actual performance of such contracts, as well as the stage of completion of such contracts as of the relevant reporting date.

We may incur significant expenses due to project delays and our counterparties may refuse to grant extensions, seek liquidated damages due to our failure to complete the project within required timelines and even terminate our contracts. The costs incurred in such instances will not be reimbursable, which could have an adverse impact on our business, results of operations and cash flows. Due to the possibility of cancellations or changes in scope and schedule of projects, we cannot predict with certainty when, if or to what extent, a project forming part of our order book will be performed. Any delay, cancellation or payment default could have an adverse effect on our business, results of operations and financial condition.

6. ***We are dependent on third party suppliers for manufacturing our products and the execution of our projects. Any disruptions in the supply or availability of materials of the appropriate quality standards and fluctuation in their prices may have an adverse impact on our business, results of operations, financial condition and cash flows.***

Our ability to remain competitive, control costs and maintain profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of materials at acceptable prices. We primarily require steel, zinc, cement, aluminium conductors, copper wire, fuel and other material for our projects. We depend on external suppliers, most of whom we have not entered into any formal long term contracts with, and typically purchase materials on a purchase order basis. Consequently, the success of our business is significantly dependent on maintaining good relationships with our suppliers. The absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions.

We cannot assure you that we will be able to procure the required quantities and quality of materials to meet our requirements. Our material suppliers may fail to deliver products of acceptable quality and within

stipulated schedules, which could adversely affect our operations. Further, defects in manufacturing and delays in the delivery of equipment could disrupt our operations and affect project timelines and costs. We may be required to replace a supplier if its products do not meet our safety, quality or performance standards or if a suppler unexpectedly discontinue operations due to reasons beyond its or our control.
Our ability to pass on increases in the purchase price or manufacturing cost of materials and other inputs may be limited in the case of contracts with limited or no price escalation provisions and we cannot assure you that these cost variations will not lead to financial losses to us. Further, other risks inherent to the development and construction industry may result in our profits from a project being less than as originally estimated or may cause us to experience losses due to cost and time overruns, which could have an adverse effect on our cash flows, business, financial condition and results of operations.

7. ***We derive a substantial portion of our revenues from contracts awarded by governmental authorities and other entities owned and controlled by the government authorities. Any adverse changes in the government policies including reduction in infrastructure spending could result in the termination or restructuring of our contracts, or a reduction in opportunities, which could have an adverse impact on our business, cash flows, financial condition and results of operations.***

We derive a substantial portion of our revenues from the contracts awarded by governmental authorities and other entities owned and controlled by the governments. The following table sets forth our revenue based on the category of clients for the years/ periods indicated:

Category	For the year ended March 31, 2022		For the year ended March 31, 2023		For the year ended March 31, 2024	
	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations
Government entities in India	4,269.72	28.89%	6,372.42	38.95%	7,350.57	37.45%
Other entities	10,507.66	71.11%	9,989.02	61.05%	12,275.86	62.55%
Total	**14,777.38**	**100.00%**	**16,361.44**	**100.00%**	**19,626.43**	**100.00%**

Category	For the half year ended September 30, 2023		For the half year ended September 30, 2024	
	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations
Government entities in India	3,533.93	40.34%	3,648.06	38.33%
Other entities	5,225.41	59.66%	5,868.47	61.67%
Total	**8,759.34**	**100.00%**	**9,516.53**	**100.00%**

The procurement of projects from the government entities are subject to extensive internal processes, policy changes, budgetary allocation, insufficiency of funds and political pressure. These factors may reduce the number of contracts available for bidding, extend the time between bid invitations and contract awards, or necessitate renegotiation of contract terms which may lead to a delay in our business operations. Additionally, delays in payment or allocation of funds by government entities could impact our ability to complete our ongoing projects on time, our business, results of operations, financial condition and cash flows. Any adverse change in government policies or tendering criteria for awarding products could adversely affect our ability to bid for and win such projects which could affect our business, results of operations, financial condition and cash flows.

8. ***We derive a substantial portion of our revenues from a limited set of clients. Loss of such clients, or a significant reduction in purchases by such clients could adversely affect our business, results of operations and financial condition.***

We derive a significant portion of our revenues from a limited set of clients. The following table sets forth our revenue from operations from our top 10 clients for the years/ periods indicated:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2023		For the year ended March 31, 2024	
	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations
Top 10 clients	4,379.14	29.63%	4,649.18	28.42%	5,727.02	29.18%

Particulars	For the half year ended September 30, 2023		For the half year ended September 30, 2024	
	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations
Top 10 clients	2,580.55	29.46%	2,858.11	30.03%

Our reliance on a select group of clients limit our ability to negotiate contract terms competitively. In the event of disputes, including those related to payments for project undertaken, we may have limited recourse to seek contractual remedies against our clients. Further, any adverse changes in circumstances including client's financial condition, market conditions, demand-supply patterns in their industry or in the economic environment generally, may have an adverse impact on their business, which will affect their requirement for our services. We cannot assure you that we will be able to maintain historic levels of business from our significant clients, or that we will be able to significantly reduce client concentration in the future. The loss of one or more of our significant clients, disqualification by them or a significant decrease in business from any such client may adversely affect our business, results of operations, financial condition and cash flows.

9. We derive a significant portion of our revenues from the transmission and distribution vertical. Any downturn or change in governmental policies towards the power sector may have an impact on our business, cash flows, financial condition and results of operations.

We provide comprehensive array of services encompasses the design, engineering, manufacturing, testing, installation, and commissioning for both transmission lines and substations. The following table sets forth our revenue across our verticals for the years/ periods indicated:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2023		For the year ended March 31, 2024	
	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations
Transmission and Distribution (A)	6,444.18	43.61%	6,016.13	36.77%	7,827.50	39.88%
Building & Factories (B)	3,313.20	22.42%	4,135.69	25.28%	4,790.33	24.41%
Water (C)	1,703.62	11.53%	2,621.90	16.02%	3,511.47	17.89%
Oil & Gas (D)	915.30	6.19%	984.84	6.02%	821.82	4.19%
Railways (E)	1,588.68	10.75%	1,652.04	10.10%	1,424.91	7.26%
Urban Infra (F)	328.47	2.22%	402.97	2.46%	704.60	3.59%
Others* (G)	483.93	3.28%	547.87	3.35%	545.80	2.78%
Revenue from operations (H) = (A) + (B) + (C) + (D) + (E) + (F) + (G)	**14,777.38**	**100.00%**	**16,361.44**	**100.00%**	**19,626.43**	**100.00%**

**Others mainly includes revenue from toll collection, sale of electricity and real estate units, and warehousing income.*

Particulars	For the half year ended September 30, 2023		For the half year ended September 30, 2024	
	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations
Transmission and Distribution (A)	3,003.54	34.29%	3,853.18	40.49%
Building & Factories (B)	2,194.95	25.06%	2,643.39	27.78%
Water (C)	1,866.48	21.31%	1,251.50	13.15%
Oil & Gas (D)	385.71	4.40%	716.24	7.53%
Railways (E)	759.19	8.67%	435.38	4.57%

Particulars	For the half year ended September 30, 2023		For the half year ended September 30, 2024	
	Amount (₹ crore)	% of revenue from operations	Amount (₹ crore)	% of revenue from operations
Urban Infra (F)	284.29	3.25%	352.49	3.70%
Others* (G)	265.18	3.02%	264.35	2.78%
Revenue from operations (H) = (A) + (B) + (C) + (D) + (E) + (F) + (G)	**8,759.34**	**100.00%**	**9,516.53**	**100.00%**

**Others mainly includes revenue from toll collection, sale of electricity and real estate units, and warehousing income.*

In the event of any adverse change in budgetary allocations for power development or a downturn in available work in the power sector resulting from any change in government policies or priorities, our business prospects and our financial performance, may be adversely affected.

10. We are exposed to credit risk from our clients and the recoverability of our trade receivables is subject to uncertainties.

The table below sets forth certain details of our trade receivables, and trade receivable turnover days for the year/period indicated:

Particulars	As of and for the year ended March 31,			As of and for the half year ended September 30, 2023	As of and for the half year ended September 30, 2024
	2022	2023	2024		
Trade Receivables (₹ crore)(1)	4,792.59	5,440.04	5,936.34	4,935.63	6,140.63
Trade Receivable Turnover Days (number of days)(1)	123	114	106	108	117

(1) Trade Receivable Turnover Days is calculated as average account receivables divided by total revenue from operations.

A client's ability to make timely payments depends on various factors such as general economic and market conditions, the allocation of funds from government(s) or funding agencies and the client's cash flow position, which are beyond our control. In financially and economically weaker countries, we typically participate in projects funded by multilateral funding agencies. However, this does not guarantee timely and efficient payments, as payment are generally made by the multilateral funding agency to the project owners who in turn make the payment to us. Political instabilities in such countries or violation of agreements with multilateral agencies by the project owners could stop or delay payments due to us. Delays in receiving payments from our clients may adversely affect our cash flow position and our ability to meet our working capital requirements. We cannot assure you that our clients will pay us on a timely basis or at all, which may adversely affect the recoverability of our trade receivables, or that we will be able to efficiently manage the level of bad debt arising from delayed payments.

Enforcing contractual obligations against our clients is often difficult and we cannot assure you that any legal proceedings we initiate will results in a favourable or timely judgment. In certain countries where we operate, the legal system and framework may not be conducive to recovering amounts due through a legal process as contained in the contracts. A failure by any of our clients to meet their contractual commitments, or an insolvency or liquidation of any of our clients, could have an adverse effect on our business, results of operations, financial condition and cash flows.

11. The construction of projects, including the required infrastructure, is subject to a number of contingencies. If these new projects are affected by such contingencies, our business, results of operations, financial condition and cash flows may be adversely affected.

During the construction of a project, we may encounter issues such as the unavailability of equipment/ materials, shortage of technically skilled personnel and labour, work stoppages, labour or social unrest, adverse weather conditions, accidents, natural calamities, delays in construction, delays in clearances, unforeseen construction-related and/ or operational delays and quality issues, delivery failures by, and disputes with contractors, increased cost of raw materials, unavailability of adequate funding, inability to secure rights of way for certain portions for projects across our business verticals, failure to complete projects within budget and in accordance with the required specifications, additional interest costs incurred due to project delays, legal actions brought by third parties, changes in government, regulatory policies and tax policies, foreign exchange movements, adverse trends in the industry or general economic conditions in India or other countries. These factors, as well as other unforeseeable problems and circumstances may lead to substantial increase in the time and costs required to complete the projects. In the past, we have experienced time and cost overruns for project completion, primarily due to delays in approvals and the availability of work fronts. Construction disruptions or delays could adversely affect our financial and operational estimates and projections, our business, prospects, financial condition, results of operations and cash flows.

12. ***An inability by us or our clients to obtain or maintain regulatory approvals and permits required for our business operations or the projects we undertake or delay in deposit of statutory dues may adversely affect our business, results of operations and cash flows.***

As an EPC player, we require various governmental approvals and may be subject to restrictions or regulations stipulated by the relevant government authorities, which can vary from state to state and country to country in the jurisdictions where we operate across our business verticals. Further, we are required to deposit various statutory dues including tax dues and social welfare contributions.

While neither we nor our clients have experienced any significant delays in obtaining or renewing such approvals and permits in the last three Fiscals and six months ended September 30, 2024, which materially affected project timelines, leading to any material adverse impact on our business operations, results of operations, financial condition and cash flows, we cannot assure you that we or our clients will be able to obtain or renew such approvals in a timely manner, or at all, in the future. Further, we may incur liabilities for failing to pay statutory dues in the jurisdictions where we operate, which could have an adverse impact on our business, results of operations and cash flows. For example, our branch office in Afghanistan has received certain tax challans from the Ministry of Finance, Afghanistan Revenue Department with demand of tax liability amounting to approximately ₹ 1.05 crore, additional tax amounting to approximately ₹ 14,000 and fine of ₹ 0.02 crore due to non-submission of certain declarations for Fiscals 2021 and 2022, which were not submitted due to a force majeure situation.

If we or our clients fail to obtain or renew such licenses, approvals, registrations and permits or deposit statutory dues in a timely manner, unless the applicable law provides for deemed approval on application for fresh licence or for renewal or allows for deposit with additional fees or penalties, we may not be able to continue projects and fulfil our contractual obligations in a timely manner, if at all, or liable to pay fines and penalties which could adversely affect our business and results of operations. There may also be delays on the part of governmental authorities in reviewing applications and granting approvals. Any delay or failure in the issuance of an approval essential to our operations or the imposition of onerous conditions may impair our ability to meet contractual deadlines and expose us to contractual liability for breach of contract.

Furthermore, government approvals and licenses are subject to numerous conditions, including regular monitoring and compliance requirements, some of which are onerous and require us to incur substantial expenditure. We may incur substantial costs, including clean up and/or remediation costs, fines and civil or criminal sanctions, as a result of violations of or liabilities under environmental or health and safety laws, which may have an adverse effect on our business or financial condition. We cannot assure you that approvals, licenses, registrations, consents and permits issued to us would not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

13. ***Our Company (including unincorporated joint venture/consortium), Joint Venture, Subsidiaries and Directors are involved in certain outstanding legal proceedings and other disputes. Any adverse decision in such proceedings or disputes may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.***

Our Company (including unincorporated joint venture/consortium), Subsidiaries, Joint Venture and Directors are currently involved in certain outstanding legal proceedings and other disputes. These outstanding legal proceedings are pending at different levels of adjudication before various courts and tribunals. Certain disputes are pending at the stage of dispute resolution mechanism provided in the respective contracts. The amounts claimed in the legal proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. We can give no assurance that these legal proceedings will be decided in our favour. We may incur significant expenses and management time in such legal proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may have an adverse effect on our business, results of operations and financial condition.

Due to the nature of our contracts with our customers, we may have claims and counter-claims including to and from our clients'. Any adverse outcome of any such claim or counter claim may have an adverse effect on our profitability.

The details of pending legal proceedings in relation to criminal proceedings, tax proceedings and actions by regulatory or statutory authorities and material civil litigation involving our Company, our Subsidiaries, and Directors has been disclosed in accordance with the materiality policy set out in the section "*Legal Proceedings"* on page 258. Besides, there are various show cause notices issued by taxation authorities against the above stated parties and tax proceedings initiated by taxation authorities against unincorporated joint ventures/ consortium which have separate permanent account numbers. In addition, there are various other commercial and civil disputes, which are pending at the stage of dispute resolution mechanism provided in the respective contracts and may result into legal proceedings based on outcome of such mechanism. A few of our employees or officials of our Company are also subject to certain criminal proceedings against them, arising out of events occurred during or otherwise, while being on official duty.

We cannot assure you that legal proceedings and such other disputes will be decided in favour of our Company, Directors, and Subsidiaries. In addition, we cannot assure you that no additional liability will arise out of these proceedings. The decisions in such proceedings adverse to our interests may have an adverse effect on our reputation, business, financial condition, results of operations and cash flows.

Further, our Company through its Director received a letter dated June 13, 2023, from the Investigating Officer, Economic Offence Wing, Bhopal ("**EoW**") directing producing certain documents and information such as KYC documents, GST registration, balance sheet and bank statement pertaining to certain vendors of our Company. Our Company has provided the necessary information and documents, to the extent available with the Company, and details of bank accounts of vendors to whom we have made payments during the ordinary course of our business. Subsequent to the providing the above, there has been no further communication from EoW. Any adverse decision or outcome in above proceedings, may have an adverse effect on our business and result of operations and financial condition.

14. Our Company has been subjected to search and seizure in the past by the Income Tax authorities and the GST authorities. Any adverse action pursuant to the aforesaid proceedings or future occurrence of such events or instances of passing of any adverse orders against our Company could adversely affect our business, results of operations and financial conditions.

A search and seizure was conducted on our Company under section 132 of the Income Tax Act, 1961 ("**IT Act**") in August 2023. Subsequently the Income Tax department issued notices to the Company under section 148 of the Income Tax Act, 1961 for the assessment years from 2013–14 to 2020–21. Our Company has complied with these notices and is responding to the questionnaires received from the department, from time to time. Further, a search and seizure was conducted at certain premises of our Company at Gujarat in October 2023 by the Directorate General of GST Intelligence, Ahmedabad. During the search proceedings, our Company provided required documents, data, information and explanations to such authorities. Recently, our Company has received show cause notice from the authorities and the Company is complying with the notice.

We cannot assure you that no adverse action will be taken under any of the aforesaid proceedings against our Company and any such action or any future occurrence of such events or instances of passing of any adverse orders against our Company would not adversely affect our business, results of operations and financial condition.

15. We operate in a highly competitive market. If we are unable to bid for and win projects, or compete with our competitors, we could fail to increase, or maintain, our volume of order intake and our business, results of operations, financial condition and cash flows may be adversely affected.

We operate in a competitive environment and our industry has been frequently subject to intense price competition for the acquisition and bidding of projects. Our contracts are awarded following competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. We compete against major construction and EPC companies at the international, national and local levels who operate in the same verticals as us. Some of our competitors may be larger than us, have stronger financial resources or a more experienced management team, or have stronger engineering capabilities in executing technically complex projects. They may also benefit from greater economies of scale and operating efficiencies and may have greater experience in infrastructure development business. While service quality, technological capacity equipment bank and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in clients' decisions, price is a major factor in most tender awards. The competitive nature of this process may necessitate us and other prospective bidders to submit low bids to win the award of the contract to maintain our market share. We may, thus, be compelled to bid for new projects more aggressively at significantly lower prices than expected and may accept terms and conditions that are not in our favour, which may result in reduction in our profit margins or losses. If we fail to win new projects, we may not be able to increase, or maintain, our volume of business or revenues. Failure to compete effectively against our current or future competitors may have an adverse effect on our business, financial condition and results of operation.

16. ***We may not derive the anticipated benefits from our acquisitions and joint arrangements and we may not be successful in pursuing future acquisitions and strategic arrangements.***

As part of our growth strategy, we may consider opportunities for inorganic growth, such as through acquisitions and strategic arrangements, if, among other things, they consolidate our market position in existing business verticals, achieve operating leverage in key markets by unlocking potential efficiency and synergy benefits, strengthen and expand our service offerings, establish local presence, enhance our depth of experience, knowledge-base and know-how and qualify us to bid for new projects.

Any such acquisitions and joint arrangements would be subject to completion of satisfactory due diligence, entering of definitive agreements, receipt of regulatory approvals and completion of customary closing conditions. We cannot assure you that our arrangements and acquisitions will achieve their anticipated benefits. We may not be able to integrate acquired operations, personnel and technologies successfully or effectively manage our combined business following the acquisition. Our acquisitions may subject us to uncertainties and risks, including potential ongoing and unforeseen or hidden liabilities, diversion of management resources and cost of integrating acquired businesses. We may also experience difficulties and additional expenses associated with supporting legacy offerings of the acquired business and retaining suppliers and clients of the acquired business.

We may not succeed in implementing our strategy of growth through joint arrangements and acquisitions in the future as it is subject to many factors which are beyond our control, including our ability to identify, attract and successfully execute suitable acquisition opportunities and partnerships, resolve potential differences or disputes with our partners or erstwhile owners or ensure compliances of the contractual arrangements including respective shareholder agreements, and joint venture agreements, to the satisfaction of the expectations of the counter party. Any failure to achieve the anticipated benefits of our past investments and acquisitions or to consummate new investments and acquisitions in the future could negatively impact our ability to compete and have an adverse effect on our business.

17. ***Any negative publicity relating to 'Kalpataru' brand could adversely affect our business prospects and financial performance.***

Our revenue, results of operation, business and prospects are, to a certain extent, dependent on the strength of the brand 'Kalpataru'. We are permitted to use the mark 'Kalpataru' (word per se and label) by Kalpataru Business Solutions Private Limited ("**KBSPL**") under the terms of a license agreement dated March 23, 2023 ("**License Agreement**"). As per the License Agreement, we are required to pay a fixed license fee of ₹ 10 crores per annum, payable on quarterly basis, for a term of five years. Upon completion of period of 5 years, subject to renewal of License Agreement and on arm's length basis, the annual license fees shall not exceed 0.25% of our turnover subject to minimum license fee of ₹ 10 crores per annum. KBSPL may (without prejudice to any other right or remedy) terminate the License Agreement with immediate effect by notice to our Company in the event our Company alters its share capital or voting rights, by which Promoters and Promoter Group's economic interest and/or voting rights, whether directly or indirectly, held in our Company falls below 20%, unless otherwise mutually agreed between us and KBSPL expressly and in writing or if our Company, in sole opinion of KBSPL, is in material or persistent breach of the License Agreement or in case a breach is capable of remedy, has failed to remedy such breach within time period prescribed under the License Agreement. Negative publicity or reputational damage can alter customer perception, potentially leading to a loss of trust and a decline in sales. Additionally, reputational issues could influence the attitude of market regulators, possibly resulting in stricter scrutiny and regulatory challenges. A tarnished brand reputation can affect our ability to secure new contracts and partnerships, thereby impacting our overall business operations. The combined effect of lost business opportunities, increased regulatory scrutiny, and diminished customer trust could adversely affect our business, results of operations, financial condition and cash flows.

18. ***Any unscheduled or prolonged disruption of our manufacturing operations could adversely affect our business, financial condition, results of operations, and cash flows.***

Any unscheduled or prolonged disruption of our manufacturing operations, including power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreaks (such as COVID-19), could reduce our ability to manufacture our products and adversely affect sales and revenues from operations in such period. The occurrence of any such incidents could also result in a destruction of certain assets, and adversely affect our results of operations. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. While we have not encountered any past instances of manufacturing disruptions in the last three years and six months ended September 30, 2024 which had a material adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that this will be the case in the future.

Disruptions in our manufacturing operations could delay production or require us to temporarily cease operations at our manufacturing facilities. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to make alternate arrangements for supplies and products in order to meet our production requirements, which could affect our profitability.

Further, we operate two tower manufacturing plants located in Gandhinagar, Gujarat and Raipur, Chhattisgarh and two biomass power plants located in Padampur and Uniara in Rajasthan. Our manufacturing operations are susceptible to disruptions caused by local and regional factors, including agitations, accidents, system failures, economic and weather conditions, major maintenance requirements, natural disasters, demographic factors, and other unforeseen events and circumstances, which could adversely affect our business, financial condition and results of operations.

19. ***Premature termination or cessation of financial support by funding agencies for EPC projects could result in loss of payments due to us, which could adversely affect our business, financial condition and results of operation.***

Our agreements can be terminated prematurely for several reasons, including delays in execution of projects, failure to complete the required milestones, failure to provide inter alia, material, equipment and machinery, failure to comply with the terms of the contract, force majeure events; and failure to furnish bank guarantees as prescribed under the agreement. In October 2020, we entered into a settlement agreement with the World Bank Group in connection with the World Bank's position that we had failed to disclose intended payments to third parties when submitting bids in respect of two World Bank financed projects in the years 2010 and 2012. Pursuant to the settlement agreement, we were not allowed to participate in World Bank Group financed projects and operations for a period of twelve months and one day. Following this period, there was a conditional non-debarment for a period of five months during which we were eligible to participate in projects and operations funded by the World Bank Group as long as we complied with our obligations under the settlement agreement. This debarment also qualified for cross-debarment by a few other multilateral developments banks. Our Company satisfied the conditions imposed under settlement agreement. Accordingly, effective as of March 7, 2022, our Company and the concerned affiliates have been removed from the restrictions.

In addition, infrastructure contracts awarded may provide the client with the right to terminate the contract for convenience, without any reason, at any time after providing us with notice, as per the time prescribed in the contract. If our agreements are terminated for reasons attributable to the client, we are typically entitled to receive a termination payment in accordance with the terms of the agreement. However, we cannot assure you that we will be subject to such action in the future or that project owners will actually make such payments or that such payments will be adequate to recover our costs.

20. ***We sub-contract certain portion of our construction and development work for our projects. Any delay on account of non-performance of a sub-contractor may result in delayed payments or invocation of guarantees issued by us which could affect our business, prospects, financial condition and results of operations.***

As part of our business operations, we sub-contract specific construction and development works of our projects, and when we sub-contract to third party, payments may depend on the sub-contractor's performance. Our contracts typically require us to enter into certain commercial and performance obligations with our clients, the performance of which in turn may be dependent on third parties. We may not be able to pass such commercial and performance obligations to executing agencies, which may increase our expenditure in relation to such contracts, or which may result in us being unable to complete our contracts in time or to the satisfaction of our clients.

Any inadequacy or delay in services by our sub-contractors may result in incremental costs and time overruns which in turn may adversely affect our projects and order intake. Delays in completion by a principal or sub-contractor, for any reason, could result in delayed payments to us. In addition, when we sub-contract, we may be liable to the client due to failure on the part of a subcontractor to maintain the required performance standards or insufficiency of a sub-contractor's performance guarantees.

If our contractors are unable to perform in accordance with their commitments on time or meet the quality standards required, our ability to complete projects on time or at all could be impaired. Further, if a sub-contractor becomes insolvent, we may be unable to recover damages or compensation for defective work and we may incur additional expenditure as a result of correcting any defective work which could have an adverse effect on our reputation, cash flows, business, results of operations and financial condition.

21. ***Our operations and our work force are exposed to various hazards and we are exposed to risks arising from construction related activities that could result in material liabilities, increased expenses and diminished revenues and have an adverse impact on our business, financial condition, results of operations and prospects.***

Our business and operation involves inherent risks and occupational hazards and are subject to hazards inherent in providing engineering and construction services, such as and including risk of accidents. Such inherent risks and occupational hazards may not be eliminated through implementing safety measures. We participate in certain activities presenting risks and dangers, among which are underground excavation, working at heights, working in adverse weather conditions and use of heavy machinery. We are exposed to risks related to such activities, such as systems and equipment failure, accidents, fire, explosion, impact from falling objects, collapse of constructed structures or heavy equipment on the street, collision, work accidents (on account of trains on the tracks or the operations of machinery for railway and road construction), underground water leakages, and geological hazards such as such as storm, hurricane, lightning, flood, landslide and earthquake and other hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. The materialization of any of the risks mentioned above in the most severe scenario may lead to debarment or blacklisting, disrupt our business and damage our reputation, which may also affect the validity of our relevant qualifications, our business, results of operations, financial condition and cash flows.

22. ***Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Although we attempt to maintain the latest international technology standards, the technology requirements for businesses in the infrastructure sector are subject to continuing change and development. Some of our existing technologies and processes may become obsolete, performing less efficiently compared to newer and better technologies and processes in the future. The cost of upgrading or implementing new technologies, upgrading our existing equipment or expanding our capacity could be significant and could adversely affect our results of operations. Obsolescence, destruction, or breakdowns of our equipment may significantly increase our capital expenditure and the depreciation recorded on our plants and equipment and change the way our management estimates the useful life of our plants and equipment. We may not be able to acquire new equipment or repair damaged equipment in time or at all. Further, some of our equipment may be costly to repair. We may also experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such obsolescence, destruction, breakdowns, repair or maintenance failures may not be adequately covered by our insurance policies and may adversely affect our business, cash flows, financial condition and results of operations.

23. Our operations are affected by weather conditions and seasonal factors and adverse weather conditions could affect our business and results of operations.

Our business operations could be adversely affected by severe weather and inhospitable climate. Severe weather conditions may require us to evacuate personnel or curtail services, damage a portion of our fleet of equipment resulting in the suspension of operations, damage our facilities, prevent us from delivering materials to our jobsites in accordance with contract schedules, delay the completion of projects or generally reduce our productivity.

Our operations are also adversely affected by difficult working conditions such as extreme low temperatures during winter months, slippery conditions during the monsoon season and extreme heat during summers, which restricts our ability to carry on construction activities and fully utilize our resources. Heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our operations during the critical periods of our projects and cause severe damages to the work done and our equipment. This may result in delays in execution of projects and also reduce our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses and our project related activities may be delayed or reduced. Adverse seasonal developments may also require the evacuation of personnel, suspension or curtailment of operations, resulting in damage to construction sites or delays in the delivery of materials. This could significantly affect our operations which in turn reduces our revenues and our profitability.

24. ***Our Company and Subsidiaries have incurred indebtedness and are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, an accelerated repayment schedule, the recall of loan facilities and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows. Further, one of our Joint Venture Company's borrowings has been classified as non-performing assets ("NPA").***

As on September 30, 2024, we had total borrowings (consisting of current borrowing and non current borrowings) on a consolidated basis of ₹ 4,743.17 crore. Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities (including certain corporate actions) and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Some of the corporate actions that require prior consents or intimations to be made to certain lenders include, amongst others, (a) effect any change in the capital structure where the shareholding of the Promoters gets diluted below certain threshold(s); (b) amendments to memorandum and/or articles of association of our Company, and (c) material change in management setup.

Any failure to comply with the conditions and financial covenants in our financing agreements or the creation of additional encumbrances that is not waived by our lenders or guarantors or otherwise cured or occurrence of a material adverse event could lead to an event of default and consequent termination of our credit facilities could adversely affect our business, results of operations, financial condition, and cash flows. While there have been no instances of breach of financial covenants communicated by lenders in the last three Fiscals and the six months ended September 30, 2024, we cannot guarantee that our Company or our Subsidiaries will comply with the financial covenants in the future, and in the event of a breach, we cannot assure that lenders will not take adverse actions. Further, there has not been any instance of re-scheduling/ re-structuring in relation to borrowings availed by us from any financial institutions or banks in the last three Fiscals and six months ended September 30, 2024. Under the financing agreements entered into between us and the lenders, consents from certain of the lenders are required for and in connection with the Issue. As on the date of this Placement Document, our Company has received all required consents from the relevant lenders in relation to the Issue.

Any recall of facilities by lenders on borrowed amounts may be contingent upon happening of an event beyond our control and we cannot assure you that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls which may adversely affect our operations and cash flows.

Our Joint Venture, Kurukshetra Expressway Private Limited ("**KEPL**"), has terminated the concession agreement with National Highways Authority of India ("**NHAI**") arising out of force majeure due to an indirect political event. The provisions of the 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 and due to non-infusion of promoter support funds from our joint venture partner in the project, 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 non-performing asset ("**NPA**") by the lenders. NHAI has also started collecting tolls from the said project. While KEPL is in the process of pursuing their claims and termination payment against NHAI, however, non-resolution of the above issue could adversely affect our business, results of operations, financial condition, and cash flows. KEPL initiated arbitration proceedings against NHAI and it received two arbitration awards in its favour against NHAI *inter-alia*, awarding various payments including "Termination Payment" in respect of project terminated by KEPL in the year 2021. Being aggrieved, in one award not arising out of Termination Payment, application under Section 34 of the Arbitration and Conciliation Act, 1996, has been filed by KEPL and the same is pending. Further, on December 11, 2024, KEPL has been served with advance copies of the application under Section 34 of the Arbitration and Conciliation Act, 1996, by NHAI challenging the both the awards passed in the arbitration. Any adverse decision or outcome in above proceedings, may have an adverse effect on result of operations and financial condition.

Also, see, "*Legal Proceedings - Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks - For CARO Reporting of Kurukshetra Expressway Private Limited (Joint Venture of the Company) – Clause (ix)(a)*" on page 279.

25. Our ability to access capital at attractive costs depends on our credit ratings. Non-availability or downgrade of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business, financial conditions, cash flows and results of operations.

Our inability to secure future financing on attractive terms or at all may adversely impact our business prospects. Credit ratings reflects the opinion of the rating agency on our management, track record, diversified clientele, increase in scale and operations and margins, medium term revenue visibility and operating cycle. While we have not experienced any instances of downgrading of our credit ratings in the last three Fiscals and six months ended September 30, 2024, we cannot assure you that such instances will not arise in the future. Any downgrade in our credit ratings or our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, could increase borrowing costs, will give the right to our lenders to review the facilities availed by us under our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest cost, our business, results of operations, financial condition and cash flows.

26. We are required to furnish financial and performance bank guarantees as part of our EPC business. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition.

We provide performance guarantees to our clients which require us to complete projects as per specifications and within a specified timeframe. As a result, we are exposed to project performance risks and may face penalties in the event that the performance parameters of a project are not met. If we fail to complete a project as scheduled due to any default or negligence by our Company or the execution of the project is with delays, we may generally be held liable for penalties in the form of agreed liquidated damages or, in some cases, the client may be entitled to appoint, at our expense, a third party to complete the work at our risk and cost. We may be unable to fulfil any or all of our obligations under the contracts entered into by us in relation to our ongoing projects due to unforeseen circumstances which may result in a default under our contracts resulting in invocation of the bank guarantees issued by us which could adversely impact on our results of operations, financial condition and cash flows. Further, certain of our bank guarantees are also under disputes. For certain such disputes, see *"Legal Proceedings"* on page 258. To the extent that this happens and is not otherwise covered by the escalations clause in the relevant contracts, the total cost of a project would exceed our original estimates and we could experience reduced profits or, in some cases, a loss on that project.

27. The loss of certifications for our manufacturing facilities and operations could damage our reputation, business, results of operations and cash flows.

Our manufacturing facilities have different certifications as per ISO 9001:2015 (quality management systems), ISO 45001:2018 (occupational health and safety management systems) and ISO 14001:2015 (environmental management systems). In the event we are unable to comply with the certification criteria or if such agencies find that we are not in compliance with the standards and norms prescribed, our certification may be revoked or we may not be granted accreditation. To ensure continued certification with such agencies, we must ensure consistency and maintain the quality of our manufacturing processes. If we lose one or more of our certifications, our reputation and business prospects may be adversely affected.

28. We are subject to risks associated with expansion into new geographic regions.

Expansion into new geographic regions subjects us to various challenges, including those relating to our lack of familiarity with the culture, local laws and regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with change in laws, regulations and practices and their interpretation;
- exposure to unexpected litigation outcomes under a foreign government-controlled judiciary;
- foreign ownership constraints and uncertainties with new local business partners;
- local preferences and service requirements;
- fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- stringent as well as differing labour and other regulations;
- differing domestic and foreign customs, tariffs and taxes;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

Further, we may face legal risks arising from court or regulatory notices issued against us or our employees in remote locations or countries where we no longer have a presence. There is a possibility that litigation could be initiated, or outcomes of such litigation could occur, without being properly notified to us, which could result in unforeseen legal and financial liabilities.

29. A significant portion of our business is undertaken through engineering, procurement and construction contracts. Any change in scope or price of such contracts may result in deviation from long term profits.

A majority of our business is undertaken through EPC contracts and we recognize our revenue over the contractual period (as extended), in accordance with the requirements of Ind AS 115. Due to the nature of the contracts entered into by us, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and our right to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the provision for loss making contracts/ onerous obligations. Inaccurate estimation of contract costs, project complexities, project scope or unexpected events may adversely impact the project timelines and deviate profits significantly, which may result in unforeseen potential losses.

Further, delays may arise from labour shortages, delays in the availability of equipment, machinery and supply chain disruptions, all of which could impact our ability to complete projects on time. These delays could result in increased costs and penalties, adversely affecting our business, results of operations and cash flows. While many of our contracts include clauses to recover cost escalations, particularly for increase in raw material prices, our inability to pass on these increased material and construction costs, or the absence of price escalation provisions in contracts, may adversely affect our financial performance and operations. Furthermore, during the tendering process, we make assumptions and estimates for construction costs and material prices based on our past experience and market analysis. Any significant increase in prices and costs beyond our estimates could impact our business, results of operations, financial condition and cash flows.

30. Opposition from local communities and other parties may adversely affect our results of operations and financial condition.

EPC projects may have significant consequences on agricultural activities, transportation, mining and land development as well as on the ecosystem of the affected areas. The environmental impact of a particular project typically depends on the type of the project, location of the project and the surrounding ecosystem. Further, construction activities may require the displacement or relocation of local communities or may otherwise disrupt their activities and livelihoods, especially during the project construction period. The project owner and us could be subject to opposition, such as through litigation or by other means, from public interest groups, local communities or non-governmental organizations, in relation to the environmental impact of projects or in relation to land acquisition, acquisition and use of rights of way and rights of use and construction activities for our projects and the consequent displacement and rehabilitation of affected communities.

31. Our Company and our Subsidiaries have availed of certain unsecured borrowings which are repayable on demand.

As on September 30, 2024, we have availed unsecured borrowings aggregating to ₹ 1,744.21 crore on a consolidated basis, which in accordance with the terms of such borrowings, are required to be repaid either on demand or as a bullet payment at the end of the term. In the event the relevant lender demands repayment of the outstanding amount from us, at any time and if any of we are unable to repay such outstanding amount at that point in time, the same shall constitute an event of default under the relevant borrowing arrangement and may also trigger cross default clauses in other borrowing arrangements, which in turn may affect our creditworthiness and future availability of financing.

32. In the event our clients are unable to secure adequate financing for projects it could result in in delays in execution or cancellation of projects, which may adversely affect our business, financial condition and results of operations.

As part of the projects we execute, our clients, as project owners are required to obtain financing from banks and other financial institutions. Clients' ability to secure financing may be uncertain and time consuming. Additionally, banks and other financial institutions may not be willing to finance projects or project owners that are perceived to be risky. Clients also require the cooperation of other parties such as insurance providers since the project financing may be conditional on securing insurance for the project or fulfilling other conditions. Such receipt of financing may cause significant delays between the time that a project is awarded to us and when our clients are able to secure financing for the project. We may also incur expenses in anticipation of projects for which our clients are not eventually able to secure financing. Our clients' ability to secure financing also depends on their credit rating or sovereign rating for government clients. We also face the risk that if our clients default on the repayment of loan instalments, lenders may stop disbursal of loan amounts, and consequently, we will not be paid for our services, which may adversely affect our business, cash flows, financial condition and results of operations.

33. Damage to and/or malfunction of any of our information security systems or cyber security risks could disrupt our operations and adversely affect our business, results of operations, financial condition and cash flows.

We rely on our information technology systems for our operations and on their reliability and functionality for our business success. Its reliability and functionality can be affected by a number of factors, including, but not limited to, the increasing complexity of the IT systems, frequent change and short life span due to technological advancements and data security. If our IT systems malfunction or experience extended periods of downtime, we may not be able to run our operations safely or efficiently. We are subject to cyber security risks and may incur costs to minimize those risks.

Further, any damage or system failure that causes interruptions or delays in the input, retrieval or transmission of data could disrupt our normal operations and possibly interfere with our ability to undertake our projects. Although no incidents have occurred in the last three Fiscals and six months ended September 30, 2024 which had a material adverse impact on our business, results of operations, financial condition and cash flows, should such an interruption or delay occur, we can neither assure you that it will not result in the loss of data or information that is important to our business nor that we will be able to restore our operational capacity within a sufficiently adequate time-frame to avoid disruptions to our business. If our systems malfunction or experience extended periods of downtime, we will not be able to run our operations safely or efficiently. We may suffer losses in revenue, reputation, volume of business, and our business, financial condition and results of operation may be adversely affected.

34. Our operations are subject to anti-bribery, anti-corruption and sanctions laws and regulations.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Although we endeavor to conduct our activities in compliance with applicable laws and regulations, we cannot assure you that persons and/or entities with whom we may engage in future transactions will not become the subject of sanctions-related prohibitions or restrictions, or that sanctions will not be imposed on the persons with whom we currently engage or countries in which we currently conduct business. The imposition of such sanctions on countries or persons with whom we transact may adversely affect our business and results of operations. Our failure to successfully comply with applicable sanctions may expose us to adverse legal and business consequences, including civil or criminal penalties, government investigations, and reputational harm.

We are also subject to anti-bribery and anti-corruption laws and we cannot assure you that we will not discover any issues or violations with respect to such laws by us or our employees, agents, sub-contractors or other intermediaries. Further, our employees and officials are forbidden from accepting bribes from third parties associated with the Company, including vendors, subcontractors, or other suppliers, whether for favouritism or any other reason. Any violations of these laws and regulations could result in restrictions being imposed on our operations, affect our eligibility to bid for projects, expose us to administrative, civil or criminal penalties or fines, lead to cost increase for us due to unfair procurement decision(s) and could adversely affect our reputation, business, financial condition, results of operations and the trading price of our Equity Shares.

35. We have in the past entered into a related party transactions and may continue to enter into related party transactions in the future on an arm's length basis, and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

In the ordinary course of our business, we have entered into transactions with related parties and from time to time, we may enter into related party transactions in the future. All such transactions have been conducted on an arm's length basis, in accordance with the Companies Act, the SEBI Listing Regulations and other applicable regulations pertaining to the evaluation and approval of such transactions. Further, it is likely that we may enter into additional related party transactions in the future on an arm's length basis. While all related party transactions that we enter into, will be subject to such approvals, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations and the policy on related party transactions adopted by our Board, we cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and future prospects.

36. Our funding requirements and proposed deployment of the Net Proceeds of the Issue are based on management estimates and may be subject to change based on various factors, some of which are beyond our control which may impact our business, financial condition and results of operations may be adversely affected.

We intend to use the Net Proceeds for the purposes described in section entitled "*Use of Proceeds*" on page 79. Whilst a Monitoring Agency has been appointed for monitoring utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on current conditions, internal management estimates based on the terms of our current financing documents and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Further, pending utilization of Net Proceeds towards the Use of Proceeds, our Company will have to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, in a manner as may be approved by our Board. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds.

37. We have been unable to locate certain of our historical corporate records including forms filed with the Registrar of Companies. There can be no assurance that we will not be subjected to any liability on account of same.

We are unable to trace certain historical records and form filings pertaining to capital structure and management. While we have conducted searches of our records at our Company's offices, and on the portal maintained by the Ministry of Corporate Affairs, we have not been able to trace such corporate records. We have also relied on the search report dated December 11, 2024 prepared by Murtuza Mandorwala & Associates, Company Secretaries, an independent practising company secretary, which was prepared on the basis of their physical search of the documents available with the Registrar of Companies and their search of the information and records available on the portal of the Ministry of Corporate Affairs. Accordingly, we have included the details of the build-up of the share capital of the Company in this Placement Document, by placing reliance on other corporate records such the resolutions passed by the Board and Shareholders, where applicable and available and annual reports filed by our Company, to the extent available. We cannot assure you that we will not be subjected to any liability on account of such missing corporate records.

38. We do not own the "**KALPATARU*****" trademark, name or logo and our ability to use the trademark, name or logo may be affected. Further, our inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have an adverse effect on us.***

We do not own the intellectual property in the name "**KALPATARU**" or the logo and the associated trademarks and trade names used by us. The intellectual property in "**KALPATARU**" and associated trademarks and trade names is owned by and registered in the favour of Kalpataru Business Solutions Private Limited. Further, as the "**KALPATARU**" trademark, name or logo is not registered in our Company's name, we cannot assure you that we will continue to have the rights to use the same in the future. If we are no longer able to use these trademarks or names or the "**KALPATARU**" logo in connection with our business, we may not be able to capitalize on our brand recognition, which may have an adverse effect on our business and operations. Moreover, the use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance. Notwithstanding the precautions we take to protect our intellectual property rights, third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, financial condition and results of operations. That could result in costly litigation, divert management's attention and resources, impair our ability to use the name "**KALPATARU**" and the **KALPATARU** logo, and potentially subject us to significant liabilities or require us to enter into expensive royalty or licensing agreements. Furthermore, necessary licenses may not be available to us on satisfactory terms or at all.

Our success depends, at least in part, on our ability to protect our technology. We own various information that includes, without limitation, financial, business, scientific, technical, economic and engineering information, formulas, designs, methods, techniques, processes and procedures, which we consider confidential and proprietary information. We therefore rely on a combination of trade secret and other intellectual property laws, confidentiality agreements and license agreements to establish and protect our intellectual property rights. Nonetheless, the steps we take to obtain, maintain, protect and enforce our intellectual property and other proprietary rights may be inadequate. Despite our efforts to protect these rights, unauthorized third parties, including our competitors, may duplicate, mimic, reverse engineer, access, obtain, or use the proprietary aspects of our technology or processes without our permission. We cannot assure that any future patent, trademark, or service mark registrations will be issued for our future applications or that any of our future patents, copyrights, trademarks, or service marks (whether registered or unregistered) will be valid, enforceable, sufficiently broad in scope, provide adequate protection of our intellectual property or other proprietary rights, or provide us with any competitive advantage. We may be unable to prevent competitors or other third parties from acquiring or using trademarks, service marks, or other intellectual property or other proprietary rights that are similar to, infringe upon, misappropriate, dilute, or otherwise violate or diminish the value of our trademarks and service marks and our other intellectual property and proprietary rights.

Any of the foregoing could adversely affect our business, financial condition and results of operations. While we take care to ensure that we do not infringe the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights.

39. We may not be able to obtain adequate financing or generate sufficient cash flow to meet our significant capital expenditures and liquidity requirements, which would have an adverse effect on our business, results of operations, financial position and prospects.

Our engineering and construction, infrastructure projects require us to have significant amounts of working capital. We have had, and expect to continue to have, substantial liquidity and capital resource requirements required to fund the working capital needs. Our operations have high working capital intensity primarily due to funding requirement for payment to vendors and contractors for bought out supplies, debtors, inventories, contract assets, retention amount and margin money towards non-fund based facilities.

Our funding is a combination of net working capital from internal accruals, advances from clients borrowings, and bank financing. While we may approach various lender institutions for financial commitments, these commitments are subject to a number of conditions precedent, such as completion of documentation satisfactory to parties thereto, among others. We may not be able to fulfil all or any of the conditions or agree on commercial terms or non-commercial terms with these banks and financial institutions, in which case they would have no obligation to provide any loans to us. Our inability to obtain financing may impair our business, results of operations, financial condition or prospects, as the case may be. Such inability could result from, among other causes, our then current or prospective financial condition or results of operations or from our inability for any reason (including reasons applicable to Indian companies generally) to issue securities in the capital markets. Depending on the stages or phases of our various projects in our current portfolio, we may not be able to generate sufficient cash flow to meet our significant capital expenditures and liquidity requirements, which would have an adverse effect on our business, results of operations, financial position and prospects. In addition, a decline in our order intake or order backlog may lead to impairment of our ability to obtain financing which may consequently impair our business, results of operations, financial condition or prospects, as the case may be. We cannot assure you that financing from external sources will be available at the time or in the amounts necessary to meet our requirements.

40. Our inability to execute our future growth strategies could affect our business, prospects, results of operations and financial condition.

Our business has grown rapidly in recent years. The table below sets forth details of financial and operational metrics for the years / periods indicated:

Particulars	As of/for the period ended				
	March 31, 2022	March 31, 2023	March 31, 2024	September 30, 2023	September 30, 2024
	(₹ crore, unless otherwise stated)				
Revenue from operations	14,777.38	16,361.44	19,626.43	8,759.34	9,516.53
Profit for the year/ profit for the period	535.06	435.02	515.90	203.15	209.51
Net Profit Margin(1)	3.62%	2.66%	2.63%	2.32%	2.20%

EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) (2)	1,169.67	1,369.54	1,628.57	753.18	817.15
EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin (3)	7.92%	8.37%	8.30%	8.60%	8.59%

Notes:

(1) Net Profit Margin (%) is calculated as profit for the year/period as a percentage of revenue from operations.

(2) EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) is calculated as profit after tax plus tax expenses, depreciation and amortization expenses and finance cost, less other income and exception items – gain/ (loss) (net).

(3) EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin is calculated as EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) divided by revenue from operations.

We may not be able to sustain our historical growth rate for various reasons beyond our control. Success in executing our growth strategy is contingent upon, among other factors: accurately prioritising geographic markets for entry, including by making accurate estimates of addressable market demand; our ability to source for materials at cost-effective prices; employing skilled employees and engaging appropriate contractors; bidding for and winning EPC projects on acceptable terms; effectively tracking bid policies and bid updates; obtaining cost-effective financing needed for our expansion plans; negotiating favourable payment terms with clients and entering into contractual arrangements that are commercially acceptable to us; and continued availability of economic incentives along expected lines.

Our existing operations, personnel and systems may not be adequate to support our growth and expansion plans and we may be required to make additional investments in our business systems and processes, and manage our employee base. As we expand our operations as well as target new markets, we also expect to encounter additional challenges in relation to regulatory hurdles and capital financing. These factors may restrict our ability to take advantage of market opportunities, execute our expansion plans successfully, respond to competitive pressures and maintain our historical growth rates.

41. Our operations are susceptible to interest rate fluctuations, which could impact our profitability and have an adverse effect on business, financial condition and results of operations.

Our operations are funded to a significant extent by debt, domestic and international, which is available on various interest rates from the respective lenders. We are exposed to interest rate risk because we borrow funds at both fixed and floating interest rates. Our exposure to changes in interest rates relates primarily to our outstanding floating rate debt. Any increase in interest rates and consequent increase in the cost of servicing such debt may adversely affect our results of operations and financial condition. As of September 30, 2024, the interest rates for borrowings of our Company and its Subsidiaries ranged from 8.00% to 24.00% per annum. Set forth below are details of our borrowings at floating rates as of the dates set out below.

Particulars	For the year March 31, 2022	For the year March 31, 2023	For the year March 31, 2024	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ crore)				
Borrowings at floating rates (in ₹ crore)	2,629.06	2,764.32	1,651.12	1,475.94	1,389.77

Our borrowings are subject to interest rate risks, which may have an adverse effect on our results of operations, financial condition and cash flows.

42. Exchange rate fluctuations may adversely affect our business, results of operations and cash flows.

We are exposed to foreign exchange related risks as a portion of our revenue from operations are in foreign currencies. A significant or frequent fluctuation in the exchange rate between the Indian Rupee and other currencies, may adversely affect our results of operations.

Our ability to predict future foreign currency fluctuations is limited and due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our clients, and as a result, suffer losses on account of foreign currency fluctuations. Similarly, the foreign exchange rate at which receivables are recorded may differ from the rate at which they are received, exposing us to risks from exchange rate fluctuations. While we enter into foreign currency hedging transactions on a net basis, we cannot assure you that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

43. ***We have certain contingent liabilities that have been disclosed in our financial statements, which if they materialize, may adversely affect our results of operations, cash flows and financial condition.***

As of March 31, 2024, our contingent liabilities were as follows:

Particulars	Amount (₹ crore)
Bank guarantees	36.59
Claims against the group not acknowledged as debt	32.46
Demands by service tax/excise/income tax and other tax/revenue authorities, under disputes	140.58

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations.

44. ***A large portion of our expenses are towards employee costs. Any increase in employee costs could impact our results of operations and profitability.***

We incur various employee benefits expense, including salaries and bonus, contribution to provident and other funds and staff welfare expenses. The table below sets for details of our employee benefit expenses for the periods indicated:

Particulars	For the year ended March 31,			For the half year ended September 30,	
	2022	2023	2024	2023	2024
	(₹ crore)	(₹ crore)	(₹ crore)	(₹ crore)	(₹ crore)
Employee benefits expenses	1,299.08	1,446.88	1,717.63	823.10	943.74
Total expenses	14,334.93	15,850.40	18,989.23	8,491.65	9,230.48
Employee benefits expenses as a percentage of total expenses	9.06%	9.13%	9.05%	9.69%	10.22%

Salaries and wages may increase in the future due to various factors, including ordinary course pay increases, a raise in minimum wage levels, enhancement in social security measures, competition for talent or through changes in regulations in the jurisdictions in which we operate. Our profit margins may be adversely impacted if we are unable to pass on such increases in expenses to our clients. Unless we can maintain appropriate resource utilization levels, continue to increase the efficiency and productivity of our employees, and effectively transition personnel from completed projects to new projects, the increase in employee benefits expense in the long term may reduce our profit margins, which in turn may adversely affect our results of operations and financial condition.

45. ***We have had negative cash flows from operations in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

The following table sets forth certain information relating to our cash flows from operations on a consolidated basis for the years/ periods indicated:

Particulars	For the year ended March 31,			For the half year ended September 30,	
	2022	2023	2024	2023	2024
	(₹ crore)				
Net cash generated from / (used in) operating activities	713.66	656.39	842.96	(95.23)	(393.15)

Negative cash flows over extended periods, or significant negative cash flows in the short term, could adversely impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 172.

46. While we have declared dividends in the past, our Company cannot assure payment of dividends on the Equity Shares in the future.

While we have declared dividend in the past, however, our ability to pay dividends in the future will depend on a number of factors identified in the dividend policy of our Company, liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions and other relevant or material factors considered relevant by our Board, and external factors, such as the state of the economy and capital markets, applicable taxes, regulatory changes and other relevant or material factors considered relevant by our Board. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We cannot assure you that we will be able to pay dividends in the future.

47. We are a listed company and are required to comply with rules and regulations notified by the Stock Exchange and SEBI with respect to continuous listing. Any failure to comply with such rules and regulations or any inaccurate disclosure made to the Stock Exchanges or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and SEBI Insider Trading Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including ensuring compliance with code of conduct under insider trading policy and ensuring compliance with board composition. Any failure to comply with these requirements or any wrongful or inaccurate disclosure made by us to the Stock Exchanges, or any other statutory authority may lead to penalties being imposed on us which could adversely impact our reputation, results of operations, financial condition and cash flows.

48. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage our operations, or accurately report, our financial risks.

We are responsible for establishing and maintaining adequate internal control measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal control systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no material instances of failure to maintain effective internal controls and compliance system in the last three Fiscals and six months ended September 30, 2024. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our Equity Shares.

As we continue to grow, we cannot assure you that there will be no instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

49. ***Our Promoters and Promoter Group will continue to exercise significant influence over our Company after completion of the Offer.***

As on the date of this Placement Document, our Promoters and Promoter Group held 35.24% of the issued and outstanding equity share capital of our Company. After the completion of the Issue, our Promoters and Promoter Group will continue to control our Company and exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures, dividends, lending, investments and capital expenditures through their shareholding after the Offer. We cannot assure you that our Promoter will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

50. ***Our Promoters who are also Directors hold Equity Shares, and are, therefore, interested in our Company's performance other than reimbursement of expenses incurred and sitting fees.***

Our Promoters as shareholders and Directors of our Company, play a pivotal role in our strategic direction. They receive commission, sitting fees and reimbursement of expenses for their services as Directors, and they also have a vested interest in our Company's performance due to their equity ownership. For further information, see "*Board of Directors and Senior Management*" on page 201. Although our Promoters are obligated to act in the best interest of all shareholders in their capacity as Directors, their significant equity ownership might influence their decision-making process. While their actions will be motivated by our Company's overall success, we cannot provide assurance that all decisions made will equally benefit all shareholders, including minority shareholders.

51. ***Our success depends upon our management team and skilled personnel and our ability to attract and retain such persons. If we are unable to retain and hire key employees or to maintain good relations with our workforce, our business and financial condition may be adversely affected.***

We benefit from the experience of our Board of Directors and the senior management team who have extensive industry knowledge and expertise, and the loss of any of them could adversely affect our business, growth and results of operations. Our Board of Directors and our senior management have been instrumental in implementing our growth strategies and expanding our business. In particular, we rely on the experience of Chairman and Non-Executive Non-Independent Director Mofatraj P. Munot who has more than five decades of experience in real estate and property development, engineering and civil construction, our Non-Executive Non-Independent Director Parag, M. Munot, who has more than three decades of experience in real estate development who has been instrumental in providing strategic direction and growth for our organization and Manish Mohnot, our Managing Director and Chief Executive Officer who has over 25 years of experience in the energy and infrastructure sectors. Should the involvement of such persons in our business reduce, or should our relationship with these persons deteriorate for any reason in the future, our business, financial condition, results of operations and prospects may be adversely affected.

Our ability to provide quality services and to manage the complexity of our business depends, in part, on our ability to retain and attract skilled personnel in the areas of management, product engineering, design, manufacture, servicing, sales and finance. Competition for such personnel is intense and the cost of retaining or replacing such personnel may affect our profitability. In addition, our strategies for growth have placed, and are expected to continue to place, increased demands on our management's and employees' skills and resources. Our future performance would depend on the continued service of our management, Key Managerial Personnel and our employees, and the loss of any Key Managerial Personnel and the inability to find an adequate replacement may impair our relationship with key clients and our level of technical expertise, which may adversely affect our business, financial condition, results of operations and prospects.

We also depend on our ability to retain and motivate key employees and attract qualified new employees. If we lose a member of the management team or a key employee, we may not be able to replace him or her. The following table sets forth the attrition rate of the years/period indicated:

Particulars	As of / for the year ended March 31, 2022	As of / for the year ended March 31, 2023	As of / for the year ended March 31, 2024	As of / For the half year September 30, 2024
Total number of employees	3,072	7,815	8,428	8,841
Attrition Rate(%)[(1)]	13.60%	21.64%	18.00%	9.11%

Note:

(1) Attrition rate has been calculated as the number of employees who have exited (unplanned) during the period, divided by the average of number of employees existing as of the beginning of the period and end of the period. Our attrition rate for the six months ended September 30 2024 is not comparable to the annual attrition rate since these are unannualized.

52. We are significantly dependent on contract labours for our EPC operations. In the event we are unable to engage requisite number of contract labour or access contract labours at a reasonable cost, our business and cash flows may be adversely affected.

As part of our EPC operations, we engage a significant number of contract labours for the construction work for our projects across our business verticals. The number of contract labourers employed by us varies from time to time based on the nature and extent of work we are involved in. Our dependence on such contract labour may result in significant risks to our operations, relating to the availability of such contract labourers, especially during peak periods in labour intensive sectors such as ours or in case of other disruptions. We cannot assure you that we will have adequate access to skilled workmen at reasonable rates and in the areas in which we execute projects. As a result, we may be required to incur additional costs to ensure timely execution of our projects or may not able to complete our projects on schedule or at all. In addition, there may be local regulatory requirements relating to use of contract labour in specified areas and such regulations may restrict our ability to engage contract labour for a project. Further, we have had instances in the past where labourers affiliated with certain trade unions, who were employed by our contractors at our manufacturing plants, made various demands, including wage revisions. This has led to industrial disputes between the Company and these trade unions. Such disagreements and disputes may also escalate, leading to disruptions in the functioning of our plants.

53. Our insurance coverage may not adequately protect us against all our losses or liabilities.

Our significant insurance policies consist of a comprehensive coverage for risks relating to standard fire and special perils and group personal accidents. In addition, we have obtained separate insurance coverage for personnel related risks, motor vehicle risks and marine cargo. Further, we are required to insure our various ongoing projects, pursuant to the contracts entered into with our clients. We also cover projects through erection all risk (EAR) insurance policies wherever available for this purpose. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully on time or at all or that we will not suffer losses not covered by our policies. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

We are involved in large projects where design, construction or systems failures can result in substantial injury or damage to third parties. Our projects could suffer physical damage from fire or other causes, resulting in losses, including which may not be fully compensated by insurance. In addition, we could suffer damage due to earthquakes, floods, hurricanes, terrorism or acts of war, other natural disasters, which may be uninsurable or are not insurable at a reasonable premium. The proceeds of any insurance claim may be insufficient to cover rebuilding costs as a result of inflation, changes in regulations, environmental issues as well as other factors. Any liability in excess of our insurance payments, reserves or backup guarantees could result in additional costs, which would reduce our profits. While we have not experienced any instance where we incurred losses exceeding our insurance coverage in the last three Fiscals and the six months ended September 30, 2024, we cannot assure you that such instance will not arise in the future.

54. Certain of our offices in India and overseas and the land parcels on which certain of our manufacturing facilities are situated in India are held by us on leasehold basis. If we are unable to comply with lease

terms on a continuous basis or renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.

Certain of our offices in India and overseas and the land parcels on which certain of our manufacturing facilities are situated in India are held by us on leasehold basis, from third parties, related parties and certain Government authorities on certain terms and conditions. We are required to comply with the stipulated terms and conditions related to the usage of these leasehold properties. Further, the leases for these premises require periodic renewal and are subject to periodic escalation of lease payments. While there have not been any other instances of unilateral termination of lease agreements in the past three Fiscals and in the six months ended September 30, 2024, we cannot assure you that such lease agreements will not be terminated unilaterally in future or we will be able to comply with the terms and conditions (including usage guidelines, if any) stipulated in the agreements entered into with the lessors. If any of these leases are terminated or if we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future until we find a suitable replacement (and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and/or incur significant costs to relocate or expand our operations elsewhere in order to continue to honour our commitments to our clients).

55. We incur significant time and expenses towards our business development activities. Our business development activities may not always achieve the intended objective and accordingly, such expenses may not be justifiable.

We undertake a number of business development initiatives that include pitching to potential clients about our capabilities and undertaking evaluations of potential projects. Such activities typically entail significant expenditure and time. Accordingly, our results of operations are primarily dependent on our ability to ensure successful award of projects to us. Our business development and bidding efforts require a significant investment of human resources, expense and time, including by our senior management, and we cannot assure you that we will be successful in generating project awards. If our business development efforts do not result in sufficient revenue to justify our costs, our business, financial condition, and results of operations could be adversely affected.

56. Failure to protect our intellectual property rights could adversely affect our business and our brand.

Our success and ability to compete depends, in part, on our ability to protect our trade secrets, trademarks, know- how, confidential information, proprietary methods and technologies and other intellectual property and proprietary rights, so that we can prevent others from using our proprietary information and property. We generally rely on common law trade secret and trademark laws, and confidentiality agreements with our employees, clients and other third parties, and generally limit access to and distribution of our proprietary information, in order to protect our intellectual property rights and maintain our competitive position. However, we cannot guarantee that the steps we take to protect our intellectual property rights will be effective.

We might be required to spend significant resources to defend, monitor, and protect our intellectual property rights, such as by initiating claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. However, we may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be adequate to compensate us for the harm suffered. Additionally, we may provoke third parties to assert counterclaims against us. Any litigation, whether or not it is resolved in our favour, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business operations or financial results. For any of these reasons, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology or use of our brand, and our business might be adversely affected. While we have not experienced any instances of infringement of our registered trademark in the last three Fiscals and six months ended September 30, 2024, we cannot assure you that such instances will not occur in the future.

57. Our Auditors have included reservations, matters of emphasis in relation to our Company in the Consolidated Audited Financial Statement and Unaudited Consolidated Financial Results.

In their report on the Audited Consolidated Financial Statements as at and for the years ended March 31, 2022, 2023 and 2024 and Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2023 and September 30, 2024. For details of these emphasis of matters and our responses thereon, see "*Legal Proceedings - Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks*" on page 271. Potential investors should consider these matters in evaluating our financial position, cash flows and results of operations.

58. Negative publicity against us, our Promoters, Promoter group, our suppliers, our clients or any of our or their affiliates could cause us reputational harm and could have an adverse effect on our business, financial condition, results of operations and prospects.

Our Promoters, Promoter Group, suppliers, clients or any of their affiliates, as well as ourselves, may be subject to negative publicity in relation to our or their business or staff, such as anti-corruption, safety and environmental protection. Even if this negative publicity is later proven false or misleading, and even if it involves members or employees of our suppliers, clients, or their affiliates rather than us, could lead to a temporary or prolonged negative perception against us due to our association with these individuals and entities. Our reputation in the industry is important for generating and retaining business. Damage to our reputation could have an adverse impact on our business, financial condition, results of operations and prospects.

59. Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose.

We have used the report titled "*Power, buildings & factories, urban Infra, water, oil & gas and railway sectors in India*" dated December 2024 by CRISIL for purposes of inclusion of such information in this Placement Document, and exclusively commissioned by our Company for purposes of inclusion of such information in the Issue Documents at an agreed fees to be paid by our Company. Our Company, our Promoters, Directors, Key Managerial Personnel, members of Senior Management or the Book Running Lead Managers are not related to CRISIL. There are no parts, data or information (which may be relevant and material for the proposed issue), that has been left out or changed in any manner. The report is a paid report, and is subject to various limitations and based upon certain assumptions that are subjective in nature. Also see, "*Industry and Market Data*" on page 16.

60. Information relating to the installed capacity and capacity utilization of our manufacturing facilities included in this Placement Document are based on certain assumptions and estimates and future production and capacity may vary.

Information relating to the installed capacity of our manufacturing facilities and capacity utilization included in this Placement Document are based on various assumptions and estimates of our management, including the standard capacity calculation practice in the Indian manufacturing industry and the capacities of other machinery installed at the relevant facilities. In addition, the estimates regarding our capacity and capacity utilization are subject to certain assumptions, as described in "*Our Business – Business Operations - Capacity and Capacity Utilization*" on page 195. Accordingly, these should not be treated as indicative of future capacity or capacity utilization. While we have obtained a certificate from Sandip B. Shah, an independent chartered engineer, pursuant to their certificate dated December 11, 2024, in relation to such installed manufacturing capacity of our facilities and corresponding capacity utilization, future capacity utilization may vary significantly from the estimated production capacities of our manufacturing facilities and historical capacity utilization.

61. Under-utilization of our manufacturing capacities could have an adverse effect on our business, results of operations, financial condition and cash flows.

As on the date of this Placement Document, we operate two tower manufacturing plants located in Gandhinagar, Gujarat and Raipur, Chhattisgarh with an aggregate commissioned capacity of 240,000 MTPA manufacturing towers, railway structures, girders, scaffholding and formwork, as of September 30, 2024. The level of our capacity utilization can impact our operating results. High capacity utilization allows us to spread our fixed costs, resulting in higher profit margin. The demand and supply balance and the average selling price of our products, would in turn affect our profit margin. Our capacity utilization is affected by the availability of industry/ market conditions as well as by the requirements of, and procurement practice followed by, our clients. Despite efforts to increase production, we may not be able to adequately achieve intended capacity utilization levels. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our existing facilities and proposed expanded production capacity, resulting in operational inefficiencies which could have an adverse effect on our business prospects and financial performance. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of orders. Changes in demand could reduce our ability to estimate accurately future requirements, make it difficult to schedule production and lead to over production or utilization of our production capacity, which could adversely affect our business, results of operations, financial condition and cash flows. For further information, see "*Our Business – Business Operations - Capacity and Capacity Utilization*" on page 195.

62. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)), EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin, Net Debt (excluding secured loans – others) to EBITDA (excluding other income and exceptional items - gain / (loss) (net)), Net Debt (excluding secured loans – others), Net Debt (excluding secured loans – others) to Equity Attributable to Owners of the Company, Return on Equity, Return on Capital Employed and Net Profit Margin (together, "**Non-GAAP Measures**") have been included in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance.

These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

External Risk Factors

63. Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.

Our business, financial performance, cash flow and results of operations could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, cash flows, financial condition, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. For instance, the GoI has recently introduced the Code on Social Security, 2020 ("**Social Security Code**"); the Occupational Safety, Health and Working Conditions Code, 2020; the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labour legislations (collectively, the "**Labour**

Codes"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our financial conditions, cash flows and results of operations.

64. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, our future financial performance and the prices of the Equity Shares.

The ongoing Russia-Ukraine conflict and Israeli-Palestinian conflict could result in increased volatility in, or damage to, the worldwide financial markets and economy besides causing physical disruption of goods and services to certain other countries. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

65. We may be affected by competition laws, the adverse application or interpretation of which could affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

66. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

67. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct our corporate affairs and our business in India and outside India. Our business, operations, financial performance and the market price of our Equity Shares is affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy and the jurisdictions in which we operate, and hence our results of operations may include:

- Financial, political or governmental issues in the jurisdiction where we operate;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing, resulting in an adverse effect on economic conditions and scarcity of financing for our expansions;
- epidemic or any other public health issues in India or in countries in the region or globally;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- downgrading of India’s sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy and the jurisdictions in which we operate, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

68. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our clients, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our clients.

In such case, our business, results of operations, cash flows and financial condition may be adversely affected. We cannot assure you that Indian inflation levels will not worsen in the future.

69. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may lead to increase in interest rates on our borrowings. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

70. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Company prepares its annual financial statements in accordance with Ind AS, which differs in certain important aspects from U.S. GAAP, IFRS and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, financial condition and cash flows could be substantially different. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Prospective investors should review the accounting policies applied in the preparation of the financial statements included in this Placement Document and consult their own professional advisers for an understanding of the differences between these accounting policies and those with which they may be more familiar. Any reliance by persons not familiar with Ind AS on the financial information presented in this Placement Document should accordingly be limited.

71. We are subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

We are subjected to general market conditions which includes significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

72. We cannot guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, after our Board or a duly constituted committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for listing and trading approvals. After receiving the listing and trading approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs and apply for the final listing and trading approvals from the Stock Exchanges. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining these approvals would restrict an investor's ability to dispose of their Equity Shares

Bidders can start trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same.

Further, we cannot assure you that the Equity Shares allocated to an investor will be credited to the investor's demat account, that listing and trading approvals will be issued by the Stock Exchanges in a timely manner, or at all, or that trading in the Equity Shares will commence in a timely manner, or at all. In accordance with applicable Indian laws and regulations and the requirements of the Stock Exchanges, in principle and final approvals for the listing and trading of the Equity Shares to be issued pursuant to the Issue will not be applied for by us or granted by the Stock Exchanges until after such Equity Shares have been issued and allotted by us on the Closing Date. If there is a failure or a delay in obtaining such approvals, we may not be able to credit the Equity Shares allotted to you to your Depository Participant account or assure ownership of such Equity Shares by you in any manner promptly after the Closing Date or at all. In any such event, your ownership over the Equity Shares allotted to you and your ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see "*Issue Procedure*" on page 221.

73. Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on Stock Exchanges for a period of one year from the date of the allotment of the Equity Shares.

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "*Selling Restrictions*" on page 236. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "*Transfer Restrictions and Purchaser Representations*" on page 244. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

74. Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.

Our Company may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Company could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Company's ability to raise additional capital from the sale of Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

75. After this Issue, the price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in this Issue.

The Issue Price will be determined by our Company, in consultation with the BRLMs, based on Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The price at which the Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- our results of operations, financial condition and cash flows;

- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our results of operations, financial condition or cash flows.

76. Foreign investors are subject to certain investment restrictions under Indian law in relation to transfer of shareholding that may limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the requirements specified by RBI from time to time. If the transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of RBI is required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income-tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions, or at all.

77. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity

Shares or the price at which Shareholders may be able to sell their Equity Shares which may be adversely affected at a particular point in time. For further details, see "*The Securities Market of India*" on page 246.

78. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.

The Equity Shares are quoted in Rupees on the Stock Exchanges. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the Rupee and other currencies (including the U.S. dollar, the Euro, the Pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results. You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, our Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of our Company's results of operations, financial condition and cash flows.

79. Investors may be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on equity shares sold on an Indian stock exchange. Any capital gain exceeding the prescribed amount, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India. This beneficial provision is, inter alia, subject to payment of STT on both acquisition and sale of the equity shares. Further any capital gain realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India, without indexation benefits.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India, subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

80. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Application Amount after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottee's demat account with the depository participant could take approximately seven to ten Working Days from the Issue Closing Date. However, we cannot assure that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, results of operation, financial condition and cash flows, or other events affecting the Bidder's decision to invest in the Equity Shares would not arise between the Issue Closing Date and the date of the Allotment of Equity Shares in the Issue. The occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

MARKET PRICE INFORMATION

The Equity Shares of our Company have been listed on BSE and NSE since February 21, 1995 and December 15, 2000, respectively. As on the date of this Placement Document, 16,24,46,152 Equity Shares of face value of ₹ 2.00 each have been issued, subscribed and paid up. The face value of our Equity Shares is ₹ 2.00 per equity share. The Equity Shares are listed and are available for trading on BSE and NSE.

As of December 13, 2024, the closing prices of the Equity Shares on BSE and NSE were ₹ 1,302.20 and ₹ 1,303.90 per Equity Share, respectively. Since Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Years ended March 31, 2024, March 31, 2023 and March 31, 2022.

BSE											
Year ended	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (₹ crore)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (₹ crore)**	**Average price for the year (₹)**	**Total Volume of Equity Shares traded in the Year ended (in number)**	**Total Turnover of Equity Shares traded in the Years ended (₹ in crore)**
2024	1,106.30	March 11, 2024	1,12,851	12.63	507.05	May 29, 2023	8,161.00	0.41	674.80	1,52,62,698	840.07
2023	580.65	March 10, 2023	24,375	1.42	340.55	May 10, 2022	13,041.00	0.44	444.15	47,24,391	222.76
2022	478.75	August 02, 2021	25,712	1.23	349.05	December 20, 2021	12,673.00	0.44	403.95	1,71,53,694	683.31

(Source: www.bseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same closing price, the date with the higher volume has been chosen.*

NSE											
Year ended	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high *(₹ crore)***	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low *(₹ crore)***	**Average price for the year (₹)**	**Total Volume of Equity Shares traded in the Year ended (in number)**	**Total Turnover of Equity Shares traded in the Years ended *(₹ in crore)***
2024	1,107.45	March 11, 2024	36,67,314	412.30	506.35	May 29, 2023	3,56,021	18.05	674.95	9,18,07,019	6,535.11
2023	580.75	March 10, 2023	6,49,557	37.90	340.60	May 10, 2022	96,022	3.26	444.06	6,56,02,374	3,130.29
2022	478.65	August 02, 2021	3,29,794	15.80	348.80	December 20, 2021	1,82,761	6.35	403.85	8,68,29,381	3,561.88

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same closing price, the date with the higher volume has been chosen.*

(ii) The following tables set forth the reported high, low and average closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months preceding this Placement Document, as applicable:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total volume of Equity Shares traded on date of high *(₹ crore)***	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total volume of Equity Shares traded on date of low *(₹ crore)***	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover *(₹ crores)***
November 2024	1,282.25	November 1, 2024	2,591	0.33	1,119.85	November 25, 2024	2,12,906	23.86	1,199.56	3,09,473	35.49
October 2024	1,348.85	October 01, 2024	52,487	7.29	1,181.25	October 28, 2024	8,844	1.04	1,281.76	2,09,218	27.22
September 2024	1,405.90	September 27, 2024	10,401	1.44	1,305.20	September 24, 2024	7,463	0.98	1,370.38	2,13,632	29.43
August 2024	1,363.60	August 01, 2024	5,318	0.72	1,207.30	August 06, 2024	17,192	2.12	1,272.63	3,23,266	40.57
July 2024	1,392.60	July 11, 2024	74,397	10.29	1,169.35	July 01, 2024	16,079	1.86	1,305.65	6,01,068	78.53
June 2024	1,276.10	June 10, 2024	27,863	3.58	1,063.30	June 04, 2024	22,594	2.48	1,188.40	1,03,09,176	1,193.13

(Source: www.bseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.,*
3. *In case of two days with the same closing price, the date with the higher volume has been chosen.*

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total volume of Equity Shares traded on date of high *(₹ crore)***	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total volume of Equity Shares traded on date of low *(₹ crore)***	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover *(₹ crores)***
November 2024	1,293.65	November 1, 2024	62,221	8.11	1,119.65	November 25, 2024	6,90,804	77.52	1,200.39	32,67,337	385.27
October 2024	1,349.20	October 07, 2024	2,38,849	31.29	1,178.15	October 31, 2024	1,73,632	22.12	1,281.96	64,42,843	835.44
September 2024	1,407.55	September 27, 2024	3,98,516	55.31	1,306.30	September 24, 2024	2,45,413	32.16	1,370.52	53,47,862	736.45

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total volume of Equity Shares traded on date of high *(₹ crore)***	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total volume of Equity Shares traded on date of low *(₹ crore)***	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover *(₹ crores)***
August 2024	1,363.20	August 01, 2024	3,05,543	41.64	1,204.75	August 06, 2024	2,90,273	35.81	1,272.87	54,50,997	693.06
July 2024	1,393.45	July 11, 2024	16,04,466	222.30	1,169.45	July 01, 2024	5,90,427	68.31	1,305.80	1,50,49,604	1,965.23
June 2024	1,278.10	June 10, 2024	3,13,883	40.28	1,070.55	June 04, 2024	4,39,869	48.09	1,189.17	1,37,64,136	1,630.06

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, the average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same closing price, the date with the higher volume has been chosen.*

(iii) The following tables set forth the market price on the Stock Exchanges as on October 29, 2024, the first working day following the approval of our Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹ crore)**
1,208.90	1,270.00	1,191.50	1,243.45	30,180	3.69

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹ crore)**
1,204.90	1,264.90	1,191.20	1,241.60	11,34,608	138.97

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregates up to ₹ 1,000.00 crores. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and estimated expenses of the Issue (including applicable taxes) of approximately ₹ 17.89 crores, are approximately ₹ 982.11 crores ("**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, we intend to utilise the Net Proceeds towards the following objects:

1. Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company; and
2. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**").

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enables us to undertake our existing business activities for which the borrowings were availed by our Company, and which are proposed to be repaid or prepaid from the Net Proceeds.

Requirements of Funds, proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

S. No.	Particulars	Amount	Tentative schedule for deployment of Net Proceeds
1.	Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company	₹ 750.00 crores	FY 2025
2.	General corporate purposes(1)	₹ 232.11 crores	FY 2025
Total Net Proceeds		₹ 982.11 crores	

(1) The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our funding requirements, deployment of the Net Proceeds and the intended use of the Net Proceeds indicated above are based on internal management assessments of current and expected sectoral and market conditions, current business plan, operating plans and the growth strategies of our Company and other commercial factors which are subject to change in the future. However, the deployment of funds described herein, has not been appraised by any bank or financial institution or any other independent agency. For further details, see *"Risk Factors – 36. Our funding requirements and proposed deployment of the Net Proceeds of the Issue are based on management estimates and may be subject to change based on various factors, some of which are beyond our control which may impact our business, financial condition and results of operations may be adversely affected."* on page 59.

We currently propose to deploy the Net Proceeds by or before Year ended March 31, 2025. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial conditions, business and growth strategy and other external factors in the business eco-system such as changes in market conditions, regulatory climate, obtaining necessary approvals/consents, as applicable, exchange rate fluctuations, competitive environment, supply chain etc which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with the applicable laws.

Since, the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals, in accordance with applicable law. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balances will be used for general corporate purposes, if required, in accordance with applicable laws. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. See "*Risk Factors – 36. Our funding requirements and proposed deployment of the Net Proceeds of the Issue are based on management estimates and may be subject to change based on various factors, some of which are beyond our control which may impact our business, financial condition and results of operations may be adversely affected.*" on page 59.

Details of Objects

1. Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company

We avail fund-based facilities in the ordinary course of business from various banks and financial institutions. The borrowing arrangements entered into by us include *inter alia* term loans, working capital facilities, non-convertible debentures. As of September 30, 2024, our outstanding borrowings were ₹ 4,743.17 crores at consolidated level. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 750.00 crores for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company. Pursuant to the terms of our borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded out of the Net Proceeds and our internal accruals. Further, the outstanding amounts under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, we may utilise the Net Proceeds for part prepayment of any such facilities. The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenure of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings in part or full, would not exceed ₹ 750.00 crores.

Such repayment and/or pre-payment of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness and improve our debt equity ratio.

If any of the below mentioned loans are repaid or refinanced or if any additional credit facilities are availed or drawn down or further disbursements under the existing facilities that are availed by our Company, then our Company may utilise the Net Proceeds for prepayment / repayment of any such refinanced facilities or repayment of any additional facilities / disbursements obtained by our Company.

To the extent required, our Company has obtained necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements.

Details of utilisation

The details of certain borrowings availed by our Company, proposed for repayment and pre-payment, in full or in part, from the Net Proceeds are set forth below:

(in ₹ crores)

Sr. No.	Name of lender	Nature of borrowing	Sanctioned amount as on 10 December, 2024 (₹ crores)(1)	Outstanding amount as on 10 December, 2024 (₹ crores)(2)	Interest rate (% p.a.)	Purpose of raising the loan	Prepayment penalty, if any
1.	Punjab National Bank	Working capital demand loan	2,876.00	290.00	8.20	Working capital requirements	Not applicable
2.	Kotak Mahindra Bank	Commercial paper	200.00	200.00	7.50	Working capital requirements	Not applicable
3.	Yes Bank Limited	Commercial paper	200.00	200.00	7.50	Working capital requirements	Not applicable
4.	HDFC Bank Limited	Working capital demand loan	430.00	355.00	8.00	Working capital requirements	Not applicable
5.	IDBI Bank Limited	Working capital demand loan	784.00	100.00	8.25	Working capital requirements	Not applicable
6.	Sumitomo Mitsui Banking Corporation	Working capital demand loan	225.00	100.00	8.20	Working capital requirements	Not applicable
7.	HDFC Bank Limited	Non- convertible debentures	200.00	100.00	6.15	General corporate purpose	Not applicable
8.	Federal Bank Limited	Working capital demand loan	350.00	110.00	8.00	Working capital requirements	Not applicable
9.	ICICI Bank Limited	Working capital demand loan	1,113.60	50.00	8.25	Working capital requirements	Not applicable
10.	Indian Bank	Working capital demand loan	3,240.86	181.00	8.60	Working capital requirements	Not applicable
11.	IndusInd Bank Limited	Working capital demand loan	650.00	140.00	7.75	Working capital requirements	Not applicable
12.	Yes Bank Limited	Working capital demand loan	1,100.00	17.00	7.95	Working capital requirements	Not applicable
	Total		**11,369.46**	**1,843.00**			

As certified by Harshil Patel & Co., Chartered Accountants, pursuant to their certificate dated December 12, 2024
[1] *Sanctioned amount includes fund based and non-fund-based facilities.*
[2] *Outstanding amount includes only fund-based facilities.*

2. General Corporate Purposes

The Net Proceeds will first be utilized towards the repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company, as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds, that is ₹ 232.11 crores, towards general corporate purposes and the business requirements of our Company and/or our Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company and/or our Subsidiaries may face in the ordinary course of business including for working capital, any additional capital expenditure, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries for meeting working capital requirements incurred in the ordinary course of business, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable laws.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**"), as the size of our Issue exceeds ₹ 100.00 crores. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the Net Proceeds have been utilised. The Board and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI of the SEBI ICDR Regulations. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt, pursuant to Regulation 32(3) of the SEBI Listing Regulations. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and an explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilization of the proceeds from the issue of Equity Shares, the Company shall deposit such proceeds in one or more scheduled commercial banks in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest funds in creditworthy instruments, including money market mutual funds, liquid mutual funds, overnight mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws.

Neither our Promoters nor our Directors or members of Promoter Group will make any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors or members of Promoter Group shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, members of Promoter Group, Directors, Key Managerial Personnel or members of Senior Management were not eligible to subscribe in the Issue. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management.

CAPITALISATION STATEMENT

The table below sets forth our Company's capitalisation and total borrowings, on a consolidated basis as at September 30, 2024 which has been derived from the Unaudited Consolidated Financial Results and as adjusted for the Issue and the application thereof.

This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 150 and the Financial Statements included in "*Financial Information*" on page 284.

(₹ in crores, except ratios)

S. No.	Particulars	Pre-Issue	Post-Issue
		As at September 30, 2024 (unaudited consolidated) (*Refer Note 1 below*)	**Amount after considering the Issue (*Refer Note 2 below*)**
I	**Borrowings:**		
	Current borrowings	3,277.19	3,277.19
	Non-current borrowings	1,465.98	1,465.98
	Total borrowings	**4,743.17**	**4,743.17**
II	**Total equity**		
	Equity Share capital	32.49	34.16
	Other equity	5,161.31	6,159.64
	Total equity	**5,193.80**	**6,193.80**
III	**Total capitalization (I+II)**	**9,936.97**	**10,936.97**
IV	**Total borrowings / Total equity**	**0.91**	**0.77**

Notes:

1. *Amounts derived from the Unaudited Consolidated Financial Results.*
2. *The figures included under post-Issue column relating to the shareholder's fund are derived after considering the impact due to the issue of the Equity Shares only through the qualified institutions placement assuming that the Issue will be fully subscribed and does not include any other transactions or movements / issue related expenses.*

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Placement Document is set forth below:

(in ₹, except share data)

	Particulars	Aggregate nominal value at face value#
A	**AUTHORISED SHARE CAPITAL**	
	42,50,00,000 equity shares of face value of ₹ 2.00 each	85,00,00,000.00
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	16,24,46,152 equity shares of face value of ₹ 2.00 each	32,48,92,304.00
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	Up to 83,26,394 equity shares of face value ₹ 2.00 each(1)	1,66,52,788.00
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	17,07,72,546 equity shares of face value of ₹ 2.00 each	34,15,45,092.00
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as on the date of this Placement Document)	6,68,12,17,056.69
	After the Issue(2)	16,66,45,63,462.69

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on October 28, 2024. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed by way of postal ballot on November 30, 2024.*

(2) *The amount has been calculated on the basis of Gross Proceeds from the Issue. Adjustments do not include Issue related expenses.*

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Placement Document is provided in the following table:

Date of Allotment	No. of equity shares Allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of transaction	Nature of Consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
July 21, 1981(1)(2)#	15	100.00	100.00	Initial subscription to the Memorandum of Association	Cash	15	1,500
January 12, 1983	7,070	100.00	100.00	Rights issue	Cash	7,085	7,08,500
February 2, 1983	3,290	100.00	100.00	Rights issue	Cash	10,375	10,37,500
October 27, 1983	6,200	100.00	100.00	Rights issue	Cash	16,575	16,57,500
December 7, 1984#	1,227	100.00	100.00	Rights issue	Cash	17,802	17,80,200
March 31, 1986	2,198	100.00	100.00	Rights issue	Cash	20,000	20,00,000
January 3, 1987	6,000	100.00	100.00	Rights issue	Cash	26,000	26,00,000
March 7, 1987	13,000	100.00	100.00	Rights issue	Cash	39,000	39,00,000
June 29, 1987	1,000	100.00	100.00	Rights issue	Cash	40,000	40,00,000
June 27, 1989	10,000	100.00	100.00	Rights issue	Cash	50,000	50,00,000
March 20, 1992#	45,000	100.00	100.00	Rights issue	Cash	95,000	95,00,000
September 29, 1993	1,88,500	100.00	N.A.	Bonus issue in the ratio of 1:2	N.A.	2,83,500	2,83,50,000

Date of Allotment	No. of equity shares Allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of transaction	Nature of Consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
Pursuant to the shareholders resolution dated November 22, 1993, each equity share of our Company of face value ₹ 100.00 was sub-divided into 10 equity shares of face value of ₹ 10.00 each. Consequently, the authorised share capital of our Company was sub-divided from 3,10,000 equity shares of face value of ₹100.00 each into 31,00,000 equity shares of face value of ₹10.00 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 283,500 equity shares of face value ₹ 100.00 each into 28,35,000 equity shares of face value of ₹ 10.00 each.							
June 11, 1994	15,000	10.00	N.A.	Bonus issue in the ratio of 1:2	N.A.	28,50,000	2,85,00,000
July 16, 1994	14,25,000	10.00	10.00	Rights issue	Cash	42,75,000	4,27,50,000
July 30, 1994[#]	14,17,500	10.00	N.A.	Bonus issue in the ratio of 3:1	N.A.	56,92,500	5,69,25,000
November 7, 1994[#]	7,500	10.00	N.A.	Bonus issue in the ratio of 3:1	N.A.	57,00,000	5,70,00,000
December 26, 1994	1,00,000	10.00	70.00	Further issue	Cash	58,00,000	5,80,00,000
February 7, 1995	20,01,500	10.00	70.00	Allotment pursuant to initial public offer	Cash	78,01,500	7,80,15,000
February 10, 1996[#]	30,60,000	10.00	N.A.	Allotment pursuant to Scheme of Amalgamation – I	Other than cash	1,08,61,500	10,86,15,000
April 24, 2006[#]	1,08,61,500	10.00	N.A.	Bonus issue in the ratio of 1:1	N.A.	2,17,23,000	21,72,30,000
September 7, 2006	47,77,000	10.00	727.00	Qualified institutions placement	Cash	2,65,00,000	26,50,00,000
May 6, 2010	41,92,114	10.00	1,074.20	Qualified institutions placement	Cash	3,06,92,114	30,69,21,140
Pursuant to the shareholders resolution dated August 28, 2010, each equity share of our Company of face value ₹ 10.00 was sub-divided into five equity shares of face value of ₹ 2.00 each. Consequently, the authorised share capital of our Company was sub-divided from 3,50,00,000 equity shares of face value of ₹10 each into 17,50,00,000 equity shares of face value of ₹2.00 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 3,06,92,114 equity shares of face value ₹ 10.00 each into 15,34,60,570 equity shares of face value of ₹ 2.00 each.							
August 12, 2019	12,54,900	2.00	515.25	Preferential issue	Other than cash	15,47,15,470	30,94,30,940
November 27, 2020[3]	(58,06,262)	2.00	(245.75)	Buy-back of equity shares	Cash	14,89,09,208	29,78,18,416
January 16, 2023	1,35,36,944	2.00	N.A.	Allotment pursuant to Scheme of Amalgamation – II	Other than cash	16,24,46,152	32,48,92,304
Total						**16,24,46,152**	**32,48,92,304**

(1) *The initial MOA, Form 1 and challan are not traceable by our Company. Accordingly, we have relied on the current MOA of our Company.*

(2) *Our Company was incorporated on April 23, 1981. The date of subscription to the MOA was April 8, 1981, and the allotment of equity shares pursuant to such subscription was taken on record by our Board on July 21, 1981.*

(3) *Pursuant to the resolution passed by our Board of Directors on May 20, 2020, our Company approved a buy-back of its Equity Shares of up to 72,72,727 Equity Shares of face value of ₹ 2 each, representing 4.70% of the then aggregate paid-up Equity Share capital of our Company as on March 31, 2020. Accordingly, a buy-back of 58,06,262 Equity Shares was undertaken at an average price of ₹ 245.75 per Equity Share by our Company.*

\# *The secretarial records for certain past allotments of equity shares by our Company comprising* inter alia *Form 2, Form 5, Form 21 and Form 23, ("**Corporate Records**") are not traceable. CS Murtuza Mandorwala, Proprietor of M/s. Murtuza Mandorwala & Associates, Practicing Company Secretaries, appointed by our Company, conducted an independent inspection, including physical search for these Corporate Records as maintained at the RoC. Pursuant to their inspection and independent verification of the documents available with/ maintained by our Company, the MCA portal, RoC and by way of the certificate dated December 11, 2024, they have confirmed the unavailability of such Corporate Records. For details of risks arising out of these missing or untraceable past secretarial records of our Company, see "Risk Factors- Internal Risks – 37. We have been unable to locate certain of our historical corporate records including forms filed with the Registrar of Companies. There can be no assurance that we will not be subjected to any liability on account of same." on page 59. Accordingly, we have relied on the minutes of the Board and shareholders' meetings maintained by our Company and other corporate records filed by our Company with the RoC, as available, in relation to the allotments.*

Our Company has not made any allotment of Equity Shares in the year immediately preceding the date of this Placement Document, including for consideration other than cash.

Preference shares

As on the date of this Placement Document, our Company does not have any outstanding preference shares.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLMs to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, please see "*Details of Proposed Allottees*" on page 287.

Pre-Issue and post-Issue shareholding pattern

The following table provides the pre-Issue shareholding pattern and the post-Issue shareholding pattern, as on December 6, 2024:

Sr. No.	Category	Pre-Issue^		Post-Issue^*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual	2,01,38,056	12.40	2,01,38,056	11.79
	Bodies corporate	3,71,05,731	22.84	3,71,05,731	21.73
	Sub-total	**5,72,43,787**	**35.24**	**5,72,43,787**	**33.52**
2.	Foreign promoters	-	-	-	-
	Sub-total (A)	**5,72,43,787**	**35.24**	**5,72,43,787**	**33.52**
B	Non-Promoter holding				
1.	Institutional investors	9,11,52,549	56.11	9,94,78,943	58.26
2.	Non-Institutional investors				
	Body Corporate	10,62,000	0.65	10,62,000	0.62
	Directors and relatives	1,497	0.00	1,497	0.00
	Indian public	1,11,18,966	6.85	1,11,18,966	6.51
	Others including Non- resident Indians (NRIs)	18,67,353	1.15	18,67,353	1.09
	Sub-total (B)	**10,52,02,365**	**64.76**	**11,35,28,759**	**66.48**
	Grand Total (A+B)	**16,24,46,152**	**100**	**17,07,72,546**	**100.00**

^*Based on beneficiary position data of our Company as on December 6, 2024.*
**The post-Issue shareholding pattern reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue and reflects the shareholding of all other categories as of December 6, 2024.*
***Includes shareholding of our Promoter Group as well.*

Other confirmations

(i) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the postal ballot notice to our Shareholders, i.e., October 30, 2024, for approving the Issue.

(ii) As on the date of filing of this Placement Document, our Company does not have any employee stock option scheme.

(iii) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

(iv) Our Company has not allotted any securities on preferential basis in the last one year preceding the date of this Placement Document.

(v) There would be no change in control in our Company consequent to the Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

DIVIDENDS

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of our Articles of Association and the applicable laws including Companies Act, together with the applicable rules issued thereunder and will depend on a number of factors, including but not limited to capital expenditure requirements, future working capital requirements, current and projected liquidity position, committed or projected cash flow requirement, industry practice, macroeconomic factors, general business environment, fiscal policy and other factors that may be considered relevant by the Board of Directors. The Board may not declare dividend in certain circumstances including, due to the operation of any other law in force, if our Company incurs losses or has inadequate profits in a particular year, if restrictions or covenants outlined in agreements with lenders limit dividend distribution, if our Company undertakes or proposes to undertake a significant expansion project requiring a higher allocation of capital, if it is involved in acquisitions or restructuring, if there are significant increases in working capital requirements that adversely impact free cash flow, or whenever our Company plans to utilize surplus cash for the buy-back of securities. The Board may also from time to time declare and pay interim dividends. Our Board has approved and adopted a formal dividend distribution policy on February 14, 2017, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, see "*Description of the Equity Shares*" on page 250. For details in relation to risks involved in this regard, see "*Risk Factors – 46. While we have declared dividends in the past, our Company cannot assure payment of dividends on the Equity Shares in the future.*" on page 63.

Dividend on Equity Shares

The dividends (including interim dividend, if any) declared and paid by our Company on the Equity shares from October 1, 2024 till the date of this Placement Document, and during the half year ended September 30, 2024 and September 30, 2023, Years ended March 31, 2024, March 31, 2023 and March 31, 2022 are as follows:

Particulars	October 1, 2024, till the date hereof	For the half year ended September 30, 2024	For the half year ended September 30, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
No. of Equity Shares	16,24,46,152	16,24,46,152	16,24,46,152	16,24,46,152	16,24,46,152	14,89,09,208
Face value per Equity Share (in ₹)	2.00	2.00	2.00	2.00	2.00	2.00
Gross aggregate dividend (₹ in crores)	Nil	Nil	Nil	129.96	113.71	96.79
Dividend per Equity Share (in ₹)	NA	NA	NA	8.00	7.00	6.50
Rate of dividend (%)	NA	NA	NA	400	350	325
Dividend distribution tax (%)	NA	NA	NA	NA	NA	NA
Dividend distribution tax (₹)	NA	NA	NA	NA	NA	NA

1. *The dividend distribution tax u/s 115-O of the Income Tax Act, 1961 was applicable up to March 31, 2020 and thereafter the tax deduction at source and deducted and deposited within time.*

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

For a summary of certain Indian tax consequences of dividend distributions to the Shareholders, please see "*Taxation*" on page 253.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Power, buildings & factories, urban Infra, water, oil & gas and railway sectors in India" dated December 2024 (the "**CRISIL Report**") prepared and issued by CRISIL MI&A, exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, in connection with the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular Fiscal/ year refers to such information for the relevant Fiscal/ calendar year. See, "Industry and Market Data" on page 16.*

*Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The recipient should not construe any of the contents of the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For further information, see "Risk Factors – 59. Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose**.**" on page 67. Also see, "Industry and Market Data" on page 16.*

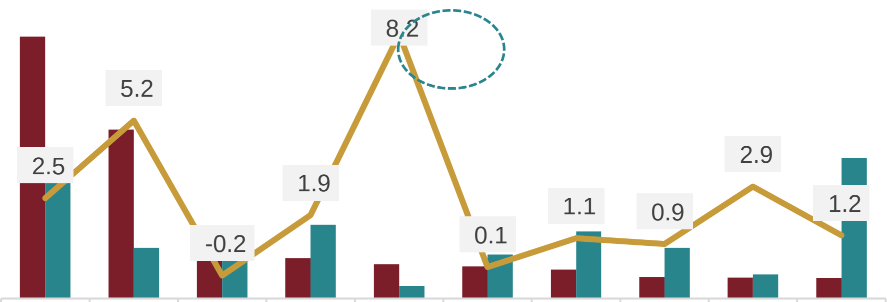
OVERVIEW OF MACROECONOMIC LANDSCAPE

India's economy vis-à-vis developed countries

India's gross domestic product ("**GDP**") at constant (Fiscal 2012) prices was ₹ 173.8 trillion (provisional estimates) for Fiscal 2024 vis-à-vis the first revised estimate of ₹ 160.7 trillion for Fiscal 2023 as per data released by the National Statistical Office ("**NSO**") in May 2024. This translates into a growth of 8.2% over Fiscal 2023.

India became the fifth largest economy in the world in 2023, according to the World Economic Outlook (October 2024) of the International Monetary Fund's ("**IMF**"). The IMF forecasts, India's real GDP growth to be at 6.5% in 2025, the highest amongst the world's top 10 economies.

Comparison of India's economy with other major nations



	USA	China	Germany	Japan	India*	UK	France	Italy	Brazil	Canada
Nominal GDP (Tn USD) CY23	27.36	17.66	4.46	4.21	3.57	3.34	3.03	2.26	2.17	2.14
Per capita electricity consumption 2022 (MWh)	12.7	5.3	6.6	7.7	1.3	4.6	7	5.3	2.5	14.7
Real GDP Growth CY23 (in %)	2.5	5.2	-0.2	1.9	8.2	0.1	1.1	0.9	2.9	1.2

**India figures are for the financial Year,*
Source: World Economic Outlook Database (October 2024) by IMF; IEA, CEA, CRISIL MI&A

According to the IMF World Economic Outlook, the past four years have put the resilience of the global economy to the test. The global economy has been resilient overall, but this masks the uneven performance across regions and the lingering fragilities. According to the IMF, following the post pandemic rebound, the global projection for GDP growth has been hovering at about 3%, both in the short and the medium term. Growth in India is projected to remain strong at approximately 7% in 2024 and approximately 6.5% in 2025, with the robustness reflecting strong domestic demand and a growing working age population.

Real GDP annual growth forecast of major economies (figures in %)

Country	2024	2025	2026	2027	2028	2029
India*	7.02	6.46	6.47	6.48	6.49	6.50
Brazil	3.04	2.16	2.25	2.35	2.45	2.47
Canada	1.34	2.39	1.97	1.82	1.78	1.64

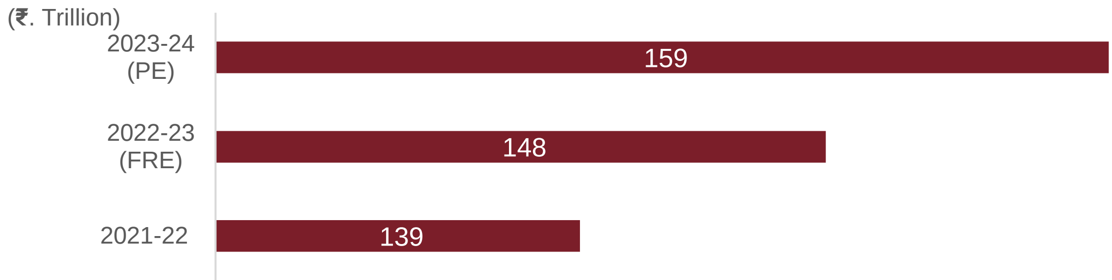
Country	2024	2025	2026	2027	2028	2029
China	4.82	4.48	4.10	3.58	3.37	3.29
France	1.10	1.06	1.35	1.42	1.44	1.35
Germany	0.01	0.79	1.40	1.15	0.85	0.74
Italy	0.67	0.76	0.70	0.60	0.68	0.71
Japan	0.32	1.14	0.84	0.65	0.64	0.52
United Kingdom	1.08	1.48	1.54	1.46	1.37	1.35
United States	2.77	2.15	2.03	2.12	2.12	2.12

**For India figures are for the financial Year.*
Source: World Economic Outlook Database (October 2024) by IMF; CRISIL MI&A

GVA performance

The real gross value added ("**GVA**") has grown by 7.2% in Fiscal 2024 over 6.7% in Fiscal 2023. This GVA growth has been mainly due to significant growth of 9.9% in the manufacturing sector in Fiscal 2024 ((2.2)% in Fiscal 2023) and growth of 7.1% in Fiscal 2024 (1.9% in Fiscal 2023) in the mining & quarrying sector.

GVA at basic prices



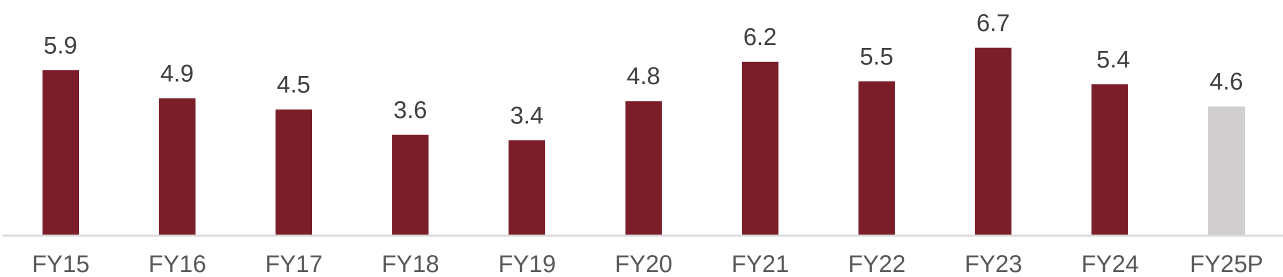
PE: Provisional Estimates, RE: Revised estimates
Source: RBI, MOSPI, CRISIL MI&A

Key economic indicators- overview and outlook

Consumer Price Index based inflation

Continuing rise in food prices driven by vegetables and edible oils lifted the Consumer Price Index ("**CPI**")-based inflation to a 14-month high of 6.2% (September 2023 to October 2024), a touch above the RBI's tolerance band of 4% to 6%. CRISIL MI&A expects the CPI inflation to average 4.6% in Fiscal 2025 against 5.4% last fiscal.

CPI-based inflation (%, year-over-year)



Source: NSO, CEIC, CRISIL MI&A

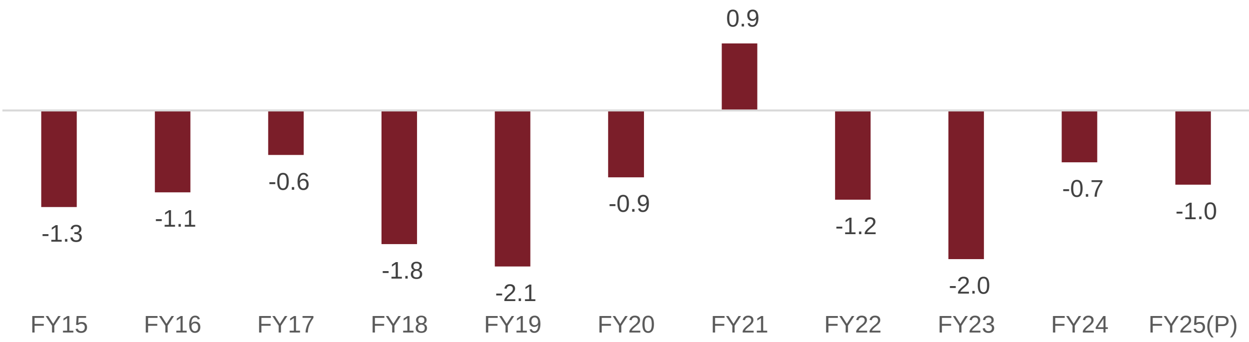
Current account deficit

India's current account deficit ("**CAD**") widened to $9.7 billion (1.1% of GDP) in the first quarter (April to June) of Fiscal 2025, data from the RBI showed. This compares with a deficit of $8.9 billion (1% of GDP) in the first quarter of Fiscal 2024. It also signifies a U-turn from a surplus of $4.6 billion (0.5% of GDP) in the fourth quarter of the previous fiscal. The on-year widening in CAD was largely driven by a rise in merchandise trade deficit to $65.1 billion from $56.7 billion a year ago. While muted global demand weighed on export growth (up 6.0% on-year) in first quarter of Fiscal 2025, higher crude oil prices and logistics costs amidst geopolitical tensions pushed up imports significantly faster (8.4% on-year). That said, the services trade surplus and secondary income (largely remittances) grew, providing a cushion to the current account balance.

As a result of the reversal in CAD to deficit from a surplus and lower financial inflow, the rupee depreciated mildly in first quarter Fiscal 2025 to average 83.42/$, compared with 83.02/$ in fourth quarter Fiscal 2024. In the first quarter Fiscal 2024, the rupee had averaged 82.2/$. Meanwhile, although financial flows fell on-year, they were sufficient to cover the CAD. Therefore, accretion to foreign exchange (forex) reserves slowed to $ 5.2 billion in first quarter of Fiscal 2025 from $24.4 billion in the year-ago quarter. At the end of the first quarter, India had forex reserves of $ 653.7 billion, which rose to $ 692.3 billion as of September 20, 2024.

It is noteworthy that, despite the overall financial flows declining in first quarter of Fiscal 2025, foreign direct investment ("**FDI**") inflows increased compared with first quarter fiscal 2024, along with a rise in NRI deposits. CRISIL MI&A expects CAD to remain at 1.0% of GDP in Fiscal 2025.

Current account deficit (as a % of GDP)



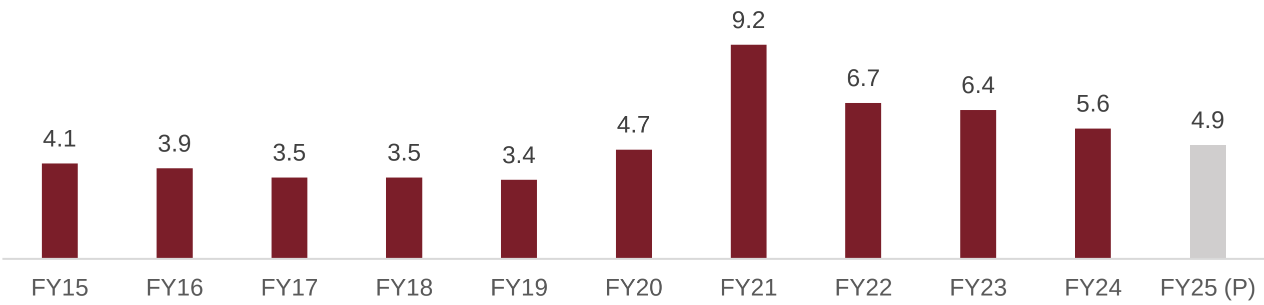
Positive: Current account surplus, negative: current account deficit, P: Projected
Source: RBI, SBI, CRISIL MI&A

Fiscal deficit

The fiscal deficit in Fiscal 2020 reached a high of 9.2% of GDP during the pandemic. It has since decreased significantly. The fiscal deficit during Fiscal 2024 stood at 5.6% of the GDP was better than previous estimates of 5.8% on account of higher revenue realisation and lower expenditure according to data released by the Controller General of Accounts ("**CGA**") on May 31, 2024. In actual terms, the fiscal deficit, which is the gap between expenditure and revenue, was at ₹ 16.53 trillion.

Fiscal support to industrial activity is expected to reduce in Fiscal 2025 as the government targets lowering the fiscal deficit to 5.1% of GDP from 5.8% of GDP in the previous fiscal. A pickup in private capex is critical for sustaining the investment momentum.

Fiscal deficit as % of the GDP



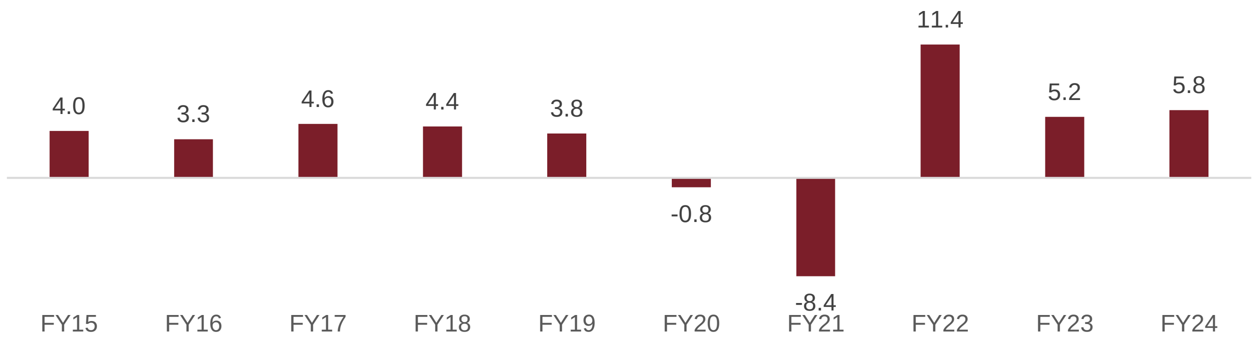
P: Projected
Source: RBI, Provisional Accounts for 2023-2024 by Controller General of Accounts, CRISIL MI&A

IIP trend

The Index of Industrial Production ("**IIP**") is an indicator that measures the changes in the volume of production of industrial products during a given period. The IIP growth rate for the Fiscal 2024 over Fiscal 2023 stood at 5.9%. The cumulative growth rates of the three sectors, mining, manufacturing and electricity for the Fiscal 2024 over the corresponding period of the previous year were 7.5%, 5.5% and 7.1% respectively.

The IIP grew 3.1% in September 2024, after contracting 0.1% in August 2024. This was primarily owing to an uptick in manufacturing output growth, whereas mining and electricity output grew marginally after contracting in the previous month. There was a broad-based recovery across all industrial, infrastructure and consumption goods. Consumer durables saw the sharpest growth, followed by intermediate goods, infrastructure and construction goods, capital goods, consumer non-durables and primary goods.

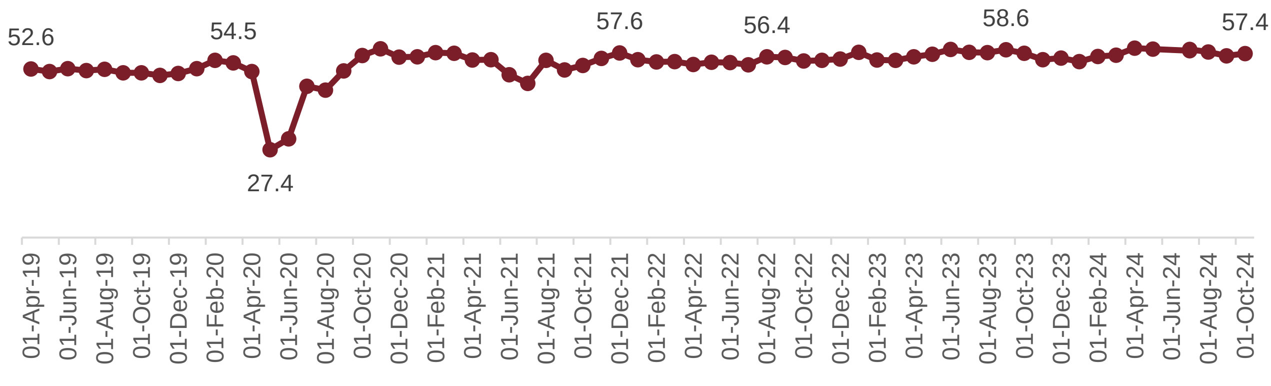
Annual growth of IIP (general) calculated w.r.t previous year



Source: NSO, MOSPI, CRISIL MI&A

September 2024 data revealed a mild setback in manufacturing growth across India. The seasonally adjusted Manufacturing Purchasing Managers' Index ("**PMI**") fell from 57.5 in August to 56.5 in September, highlighting a robust improvement in the health of the sector that was nonetheless the weakest since January.

Manufacturing PMI



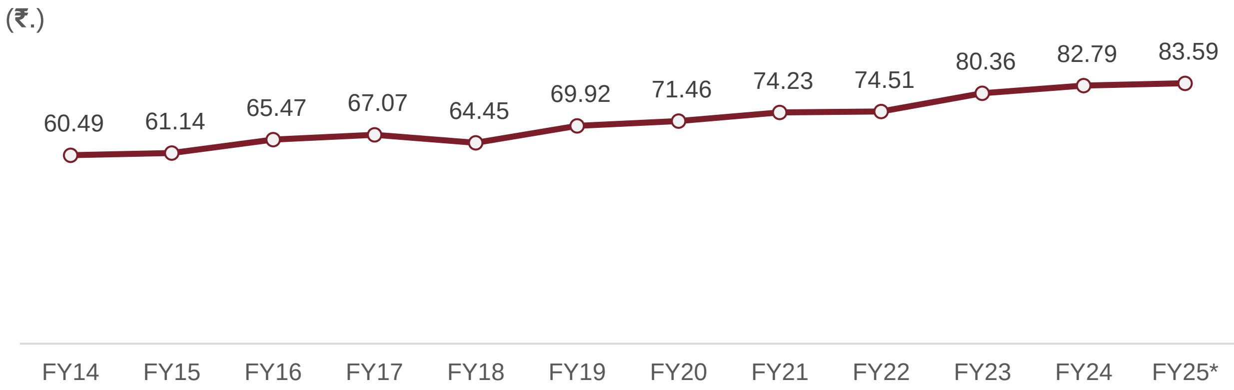
Source: Industry, HSBC, S&P Global, CRISIL MI&A

Currency

The exchange Rate of the US Dollar to Indian Rupee was at around ₹ 82.8 as of March 2024 (annual average) up from ₹ 80.4 a year ago. This is a change of approximately 3.0% from one year ago. The rupee depreciated approximately 1% on-year in Fiscal 2024 (March 2024 over March 2023). The depreciation in some emerging market currencies was sharper, including the Turkish lira (49.4% on-year), Russian ruble (28.2%) and South African rand (10.4%). A few others saw lower depreciation than the rupee South Korean won (1.0%), Indonesian rupiah (1.8%) and Vietnamese dong (2.1%).

CRISIL MI&A expects the rupee to average at 84 against the dollar by March 2025, compared with approximately 83 in Fiscal 2024. While the CAD is expected to remain manageable, it may face some risks amid the uneven global growth scenario and geopolitical uncertainties. However, India's healthy domestic macros will cushion the rupee.

Exchange rates: ₹/$



**As on September 2024, Source: Financial Benchmarks India Pvt Ltd, CEIC, CRISIL MI&A*

Overview of other demographic factors

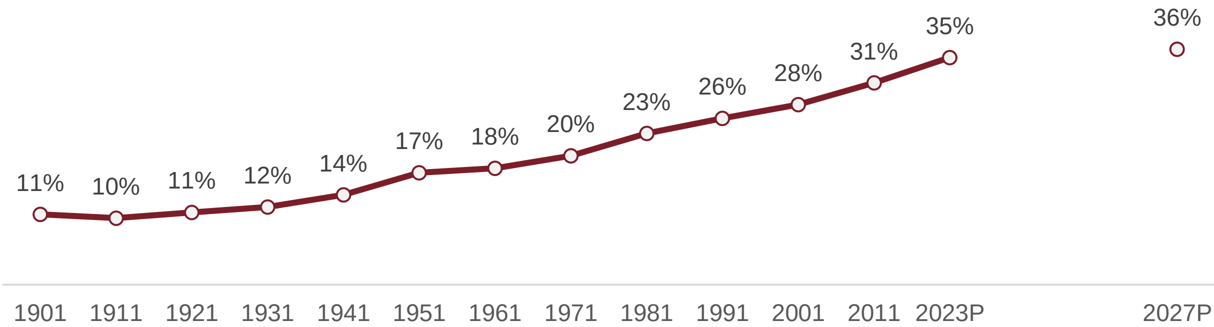
Urbanisation

Urbanisation is one of the major growth drivers, as it leads to rapid infrastructure development, job creation, development of modern consumer services, and mobilisation of savings.

The share of the urban population in India's total population, which stood at approximately 31% in 2011, has consistently risen over the years, and is expected to reach 36% by 2027, spurring increasing consumer demand.

Indeed, urban consumption in India has shown signs of improvement and given India's favourable demographics, along with rising disposable income, the trend is likely to continue and drive the country's economic growth.

Share of urban in India's total population



P: Projected; Source: Census 2011, Report of The Technical Group on Population Projections by Ministry of Health & Family Welfare (July 2020), CRISIL MI&A

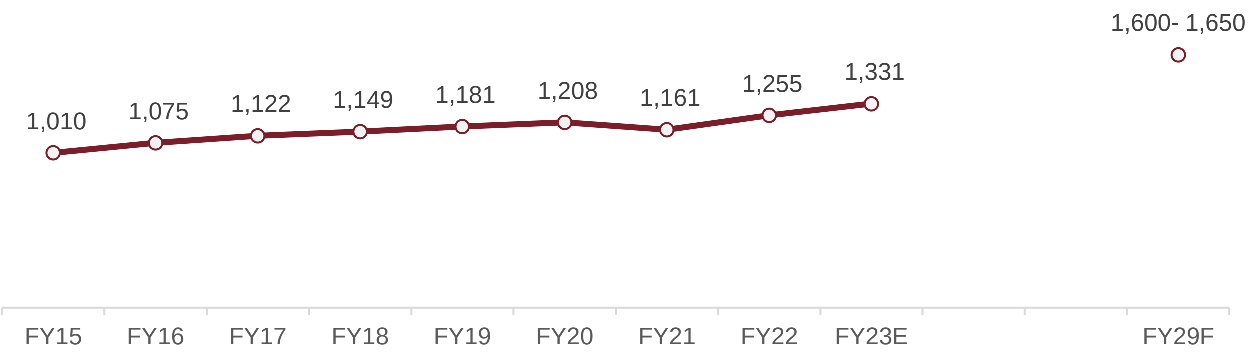
Per capita electricity consumption

India's electricity consumption per person in India rose to 1,331 kWh in Fiscal 2023, from 957 kWh in fiscal 2014 at a CAGR of 3.73%, primarily on account of large capacity additions coupled with strengthening of the transmission and distribution ("**T&D**") network. Post successive on-year growth in consumption, demand declined in Fiscal 2021, particularly from high-consuming industrial and commercial categories on account of weak economic activity following outbreak of the COVID-19 pandemic. In Fiscal 2022, however, per capita consumption rebounded to 1,255 kWh on the back of recovery in demand, with a similar trend estimated in Fiscal 2023. Similarly, the energy requirement grew at 4.4% CAGR over Fiscals 2015 to Fiscal 2023 i.e. from 1,069 billion units ("**BUs**") to 1,512 BUs.

As seen in the table above on comparison of India's economy with other major nations, despite this healthy increase, the per-capita electricity consumption in India remains significantly lower than other major economies. Developing countries, such as Brazil and China, have significantly higher per-capita electricity consumption than India. In 2022, per capita electricity consumption of Brazil (2.5 MWh) was almost double of India's (1.3 MWh) per capita electricity consumption whereas the annual per capita electricity consumption of India was around 24% that of China (5.3 MWh) and around 10% of the United Staes (12.7 MWh).

Between Fiscal 2023 and Fiscal 2029, India's per capita electricity consumption is expected to post approximately 5% to 7% CAGR. Per capita electricity consumption is expected to gradually improve in the long term as well, as power demand picks up on the back of improvement in access to electricity, in terms of quality and reliability, rising per capital income, increasing electric vehicle penetration, railway electrification, on account of intensive rural electrification, resulting in realisation of latent demand from the residential segment, increased penetration of consumer durables. However, there are a few factors such as improved energy efficiency, focus on T&D loss reduction, sustainability targets and increasing share of services in GDP, which could restrict the growth. Consequently, CRISIL MI&A expects per capita electricity consumption to reach 1,600 kWh to 1,650 kWh by Fiscal 2029.

Per capita electricity consumption (in kWh)



F: Forecast
Source: Central Electricity Authority of India (CEA), CRISIL MI&A

Aatmanirbhar Bharat Abhiyan

Production Linked Incentives ("**PLIs**") in the 14 sectors for the *Aatmanirbhar Bharat* vision received an outstanding response, with the potential to create six million new jobs (as per government estimates).

The five focus points of the *Aatmanirbhar Bharat Abhiyan* are economy, infrastructure, system, vibrant demography, and demand. Its five phases are:

Phase I: Businesses including MSMEs

Phase II: Poor, including migrants and farmers.

Phase III: Agriculture

Phase IV: New horizons of growth

Phase V: Government reforms and enablers

Sector-wise focus of Aatmanirbhar Bharat Vision

Sector	Government spends	Key schemes
Renewable energy	Approximately ₹ 1300 billion	• ₹ 45 billion Production Linked Incentive Scheme 'National Programme on High Efficiency Solar PV Modules'. This was further increased by ₹ 195 billion in the budget for Fiscal 2023, taking it to ₹ 240 billion; in tranche I 8.7 GW and in tranche II 39.6 GW capacity were allocated for domestic solar module manufacturing capacity under the PLI scheme.

Sector	Government spends	Key schemes
		• PM Surya Ghar Muft Bijli Yojna: This scheme has a proposed outlay of ₹ 750 billion and aims to light up 10 million households (rooftop solar) by providing up to 300 units of free electricity every month. • Public procurement (preference for 'Make in India') to provide for purchase preference (linked with local content) in respect of renewable energy (RE) sector • Implementation of Pradhan Mantri Kisan Urja Suraksha Utthan Mahabhiyan (PM KUSUM) scheme; MNRE, in November 2020, scaled up and expanded the PM KUSUM scheme to add 30.8 GW by 2022 with central financial support of ₹ 344 billion. The scheme has been extended till March 31, 2026 • Approved Models & Manufacturers of Solar Photovoltaic Modules (Requirement for Compulsory Registration) Order, 2019 • List of manufacturers and models of solar PV modules recommended under ALMM order • Scheme of grid connected wind-solar hybrid power projects • Basic customs duty ("**BCD**") of 25% on solar cells and 40% on modules, respectively, effective April 1, 2022
Power distribution companies (discoms)	Approximately ₹ 970 billion	• ₹ 1.35 trillion liquidity infusion for discoms via Power Finance Corporation/ Rural Electrification Corporation (PFC/ REC) against receivables • Rebate for payment to be received by generation companies (gencos) to be passed on to industrial customers • Revamped distribution sector scheme ("**RDSS**") to help discoms improve their operational efficiencies and financial sustainability by providing result-linked financial assistance; outlay of ₹ 3,037.58 billion over 5 years i.e., Fiscals 2022 to Fiscal 2026. The outlay includes an estimated government budgetary support ("**GBS**") of ₹ 976.31 billion.
New energy	Approximately ₹ 388 billion	• ₹ 181 billion under production linked incentive ("**PLI**") scheme for Advanced Chemistry Cell ("**ACC**") Battery Storage in India launched in October to achieve 50 GWh manufacturing capacity • Green Hydrogen Policy launched in February 2022 to facilitate production of green hydrogen/green ammonia • PLI scheme on green hydrogen manufacturing with an initial outlay of ₹ 197.44 billion with an aim to boost domestic production of green hydrogen

Source: Official portal of the Government of India; various ministries, PIB press releases, CRISIL MI&A

Overview of power transmission and distribution sector

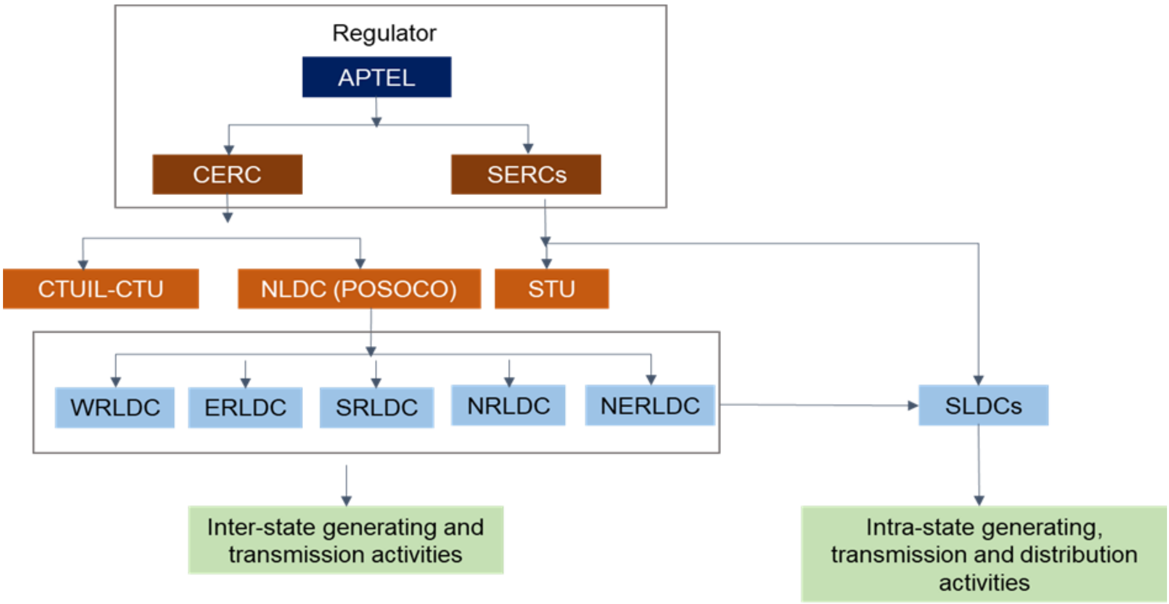
Structure and regulatory authority

India

Power transmission regulations in India are governed by various regulatory bodies and frameworks that ensure the efficient and reliable transmission of electricity across the country. The key regulatory and legislative aspects related to power transmission in India include:

Electricity Act, 2003: The Electricity Act, 2003, is the primary legislation governing the power sector in India. It provides the legal framework for generation, transmission, distribution, and trading of electricity.

Transmission sector regulatory framework



Central Electricity Regulatory Commission ("CERC"): The CERC is the central regulatory authority in India responsible for regulating the power sector, including transmission. It sets tariffs, regulates inter-state electricity transmission, and ensures fair competition in the sector. CERC also oversees the development of the National Grid and interstate transmission.

State Electricity Regulatory Commissions ("SERCs"): Each Indian state has its own State Electricity Regulatory Commission, which is responsible for regulating power generation, distribution, and transmission within the state. These commissions set tariffs for intrastate transmission and ensure compliance with relevant regulations.

Central Transmission Utility ("CTU"): CTU is a central-level organization responsible for operating and managing the national or inter-state transmission system. CTUIL operates as the CTU in India.

Grid Controller of India Limited ("GRID-INDIA"): The new name of Power System Operation Corporation Ltd ("**POSOCO**") is Grid Controller of India Ltd (Grid-India) since 9th November 2022. It is responsible for monitoring and ensuring round the clock integrated operation of Indian power system. It consists of five regional load despatch centres ("**RLDCs**") and the national load despatch centre ("**NLDC**").

Power Grid Corporation of India Limited ("PGCIL"): PGCIL is a Maharatna public sector undertaking in India. It is responsible for the planning, development, and maintenance of the country's high-voltage transmission systems.

State Transmission Utility ("STU"): STUs are state-level organizations responsible for the planning, development, maintenance, and operation of intra-state transmission systems. They ensure the efficient and reliable transmission of electricity within their respective states.

State Load Despatch Centre ("SLDC"): It is the nerve centre of the State Power System operating. Principal activities include operating the State power system in the most economical way by economic load despatching, and merit order operation.

Tariff regulations: CERC and SERCs regularly review and set tariffs for transmission services, which include charges for using the transmission network. These tariffs are based on various factors, including capital costs, operational expenses, and return on equity for transmission companies.

Open access regulations: The Electricity Act, 2003, promotes open access in the transmission system, allowing consumers to choose their source of power supply and utilize the transmission network efficiently. Regulations related to open access vary by state.

Grid standards: The Central Electricity Authority ("**CEA**") is responsible for setting and enforcing grid standards and codes to ensure the reliability and safety of the power transmission network.

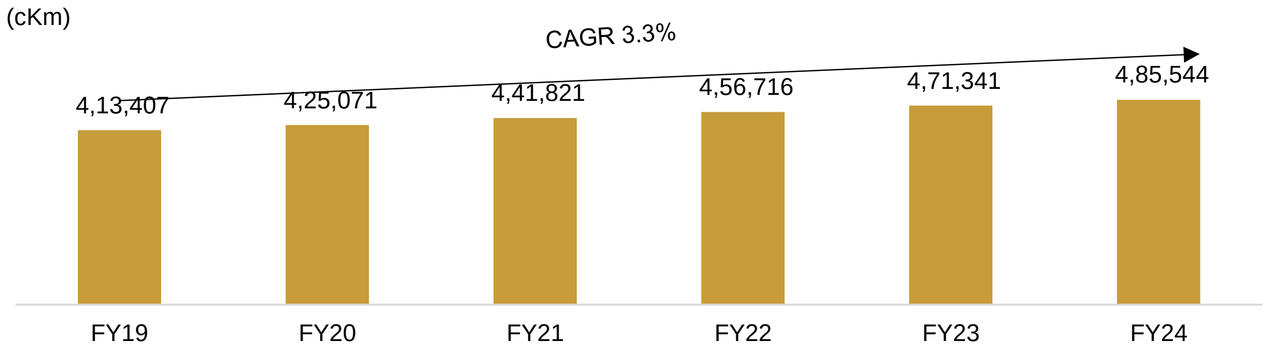
Cross-border transmission: India also has cross-border electricity transmission interconnections with neighbouring countries like Nepal, Bhutan, and Bangladesh. These interconnections are governed by bilateral agreements and specific regulatory frameworks.

Transmission infrastructure growth

India

Robust generation capacity addition over the years and the government's focus on 100% rural electrification through last mile connectivity has led to extensive expansion of the T&D system across the country. The total length of domestic transmission lines rose from 413,407 circuit kilometres ("**ckm**") in Fiscal 2019 to 485,544 ckm in Fiscal 2024.

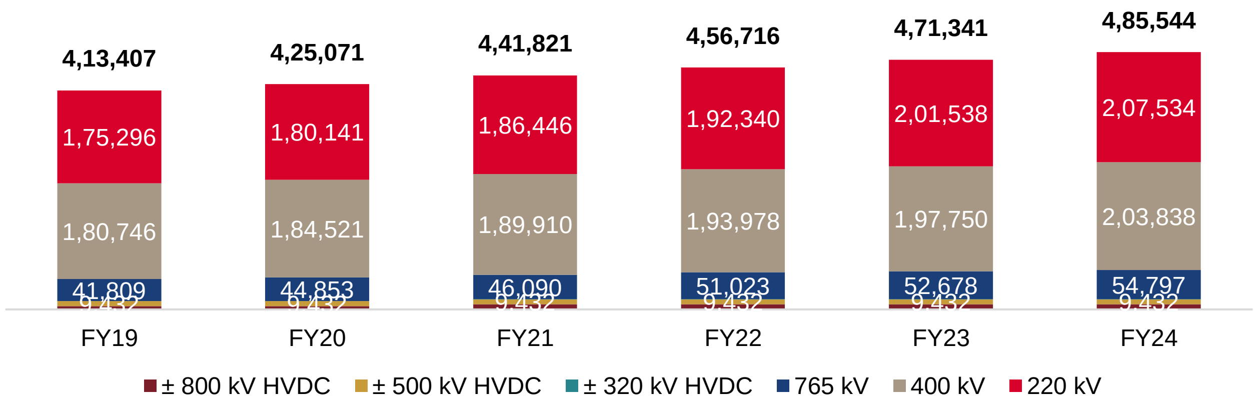
Total transmission line network in the country (220 kV and above)



Source: CEA, CRISIL MI&A

There has been strong growth in the transmission system at higher voltage levels and substation capacities. This is a result of increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses and improve grid reliability.

Strong growth in the length of high voltage transmission lines (220 kV and above)



Source: CEA, CRISIL MI&A

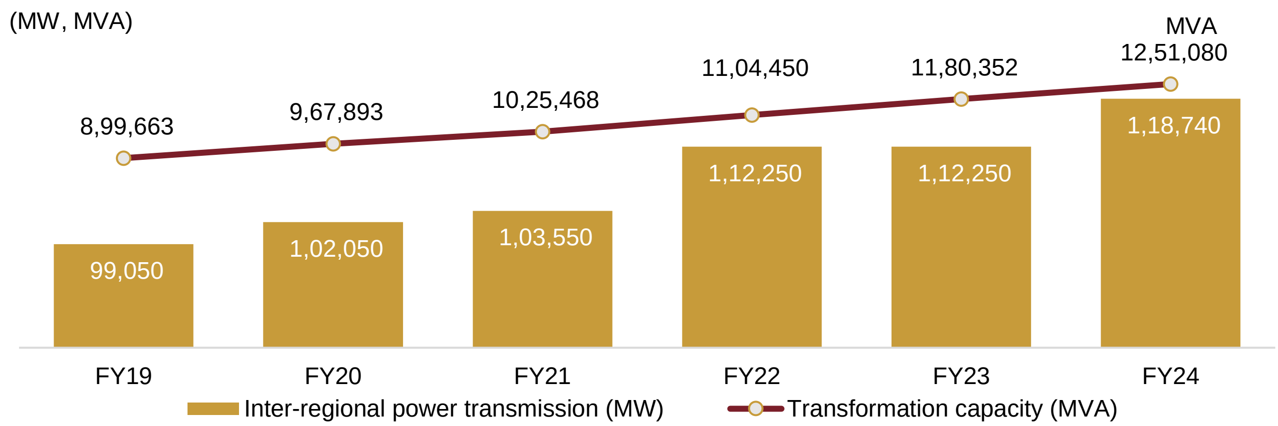
Strong growth of the transmission system at higher voltages has grown due to increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses and improve grid reliability.

The transmission sector, a crucial part of the power industry, required more attention to meet the growing demand for electricity and the expanding generation capacity. Existing investments from budgets, internal funds, and PSU loans were insufficient to meet this demand. To address this issue, the Electricity Act allowed private companies to participate in the power transmission sector through a competitive bidding process called tariff-based competitive bidding ("**TBCB**"). The National Tariff Policy of 2006 provided guidelines for this process, aiming to promote competition, attract private investment, and increase transparency in constructing transmission infrastructure. India stands out as one of the few countries that have opened its transmission sector to private participation, generating significant interest from private businesses. The Electricity Act, 2003 coupled with TBCB for power procurement, encouraged private participation in the power transmission sector and has supported the growth of transmission lines in India sector.

The total transmission line length (above 220 kV) has increased at 3.3% CAGR from Fiscal 2019 to Fiscal 2024. This increase can also be attributed to an increase in the commissioning of the 765-KV lines, growing at a CAGR of approximately6% over the same period. The 765 kV lines have higher transfer capacity and lower technical losses thereby reducing the overall number of lines and rights of way required to deliver equivalent capacity. Performance in a transmission line improves as the voltage increases and as the 765 kV lines use one of the highest voltage levels, they experience comparatively lesser amount of line loss. The 800 kV lines have also shown strong growth momentum, rising at a CAGR of 9.5% over the past five fiscals, majorly because of strong investments by the central sector.

Inter-regional power transmission capacity of the National Grid has grown strongly from 99,050 MW in Fiscal 2019 to 118,740 MW in Fiscal 2024, at a CAGR of 3.7%. Subsequently, transformation capacity rose from 899,663 MVA in Fiscal 2019 to 1,251,080 MVA in Fiscal 2024, growing at a CAGR of approximately 6.8%.

Growth in transformation capacity and inter-regional power transmission capacity



Source: CEA, CRISIL MI&A

Overview of power distribution sector India

Power distribution is the final and most crucial link in the electricity supply value chain which is directly connected to the consumers. However, distribution sector is facing various challenges like unreliable power supply, high AT&C losses, old and overloaded network, low-cost recovery, low consumer satisfaction, etc. resulting poor financial health of Discoms and distribution companies are not able to undertake corresponding investments in infrastructure augmentation.

In the last few years, the distribution sector has received greater attention and various reforms measures/ Rules have been notified by MoP for improving financial viability of Discoms and equipping them to provide 24x7 reliable & quality power to consumer. Several initiatives have also been introduced to bring down AT&C losses within the definitive regulatory framework.

Review of existing distribution network India

The electricity is generated mostly at voltages between 11 kV to 33 kV which is stepped up to 132kV, 220 kV or 400 kV or 765 kV for transmitting to various parts of the country through inter-state transmission network and within State through intra-state transmission network. For distribution purposes, the electricity is suitably stepped down to 66 kV, 33 kV, 22 kV, 11 kV and 0.4 kV for supplying to the consumers. In some states/UTs, some additional voltages like 6.6 KV or 3.3 KV are also in practice.

As on March 2022, the total number of Power Sub-stations (66/11 kV, 33/11 kV and 22/11 kV) in the country was 39,965 with a total installed capacity of 4,82,810 MVA**.** The total number of 66/33/22 kV feeders in the country were around 36,804 with total length of 5,89,304 ckm and the total number of 11 kV feeders in the country were 2,30,979 with total length of 49,35,279 ckm. The number of Distribution Transformers ("**DT**") at all-India level as on March 2022 stood at 1,46,74,261 with an installed capacity of 6,89,192 MVA.

Distribution infrastructure as of March 2022

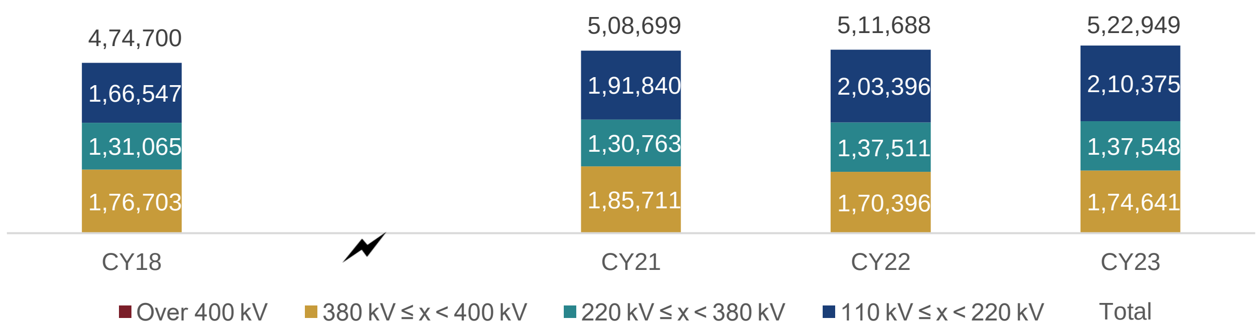
(66/33/22 kV)		*(66/33/22/11 kV)*		*(66/33/22 kV)*		*11 kV*		*400/220 V*	
Substation count	***Substation capacity (MVA)***	***DT count***	***DT capacity (MVA)***	***Feeder count***	***Feeder length (ckm)***	***Feeder count***	***Feeder length (ckm)***	***LT line (1-P)***	***LT line (3-P)***
39,965	*4,82,810*	*1,46,74,261*	*6,89,192*	*36,804*	*5,89,304*	*2,30,979*	*49,35,279*	*22,31,495*	*57,14,263*

Note: The data is as per CEA's Distribution Perspective Plan 2030. Latest available data is as of March 2022
Source: CEA, CRISIL MI&A

European Union

One of the tasks of the European Network of Transmission System Operators for Electricity (ENTSO-E) is to carry out a non-binding community-wide 10 Year Network Development Plan (TYNDP) each second year. Besides proposing an EU-wide TYNDP (each second year) ENTSO-E has the mandate to propose network codes, ensure market integration EU-wide, support Research and Development, analyse the European Generation Adequacy Outlook (5/15 years horizon) and provide an integrated network modelling framework at the European level. As of December 2023, ENTSO-E operates and manages approximately 522,949 ckm of AC lines.

ENTSO-E overview circuit length- AC Lines (cKm)

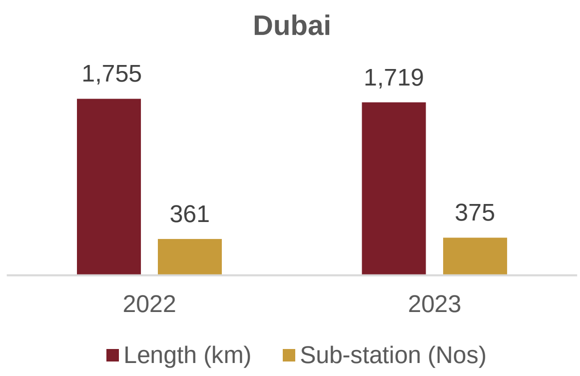


Source: ENTSO-E Statistical Factsheet, CRISIL MI&A

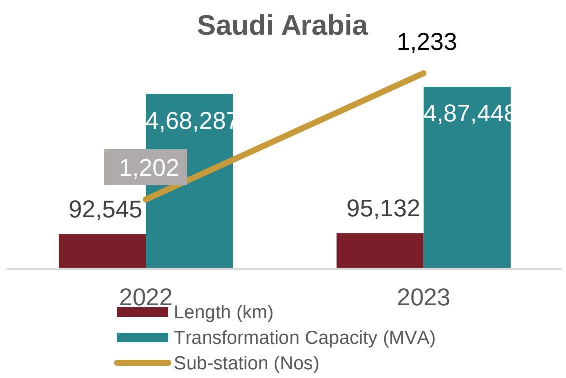
Middle East

To meet the rising demands of electricity, various Countries in the Middle East are adding transmission and distribution lines along with sub-stations.

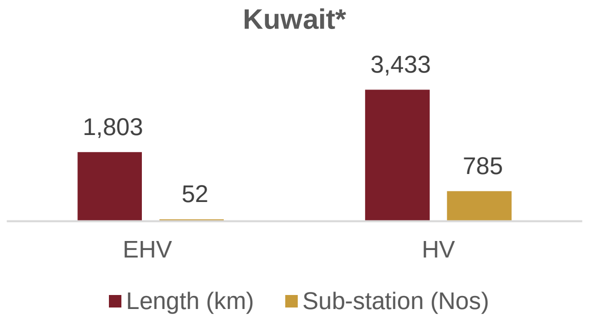
Overhead transmission lines in select countries from Middle East

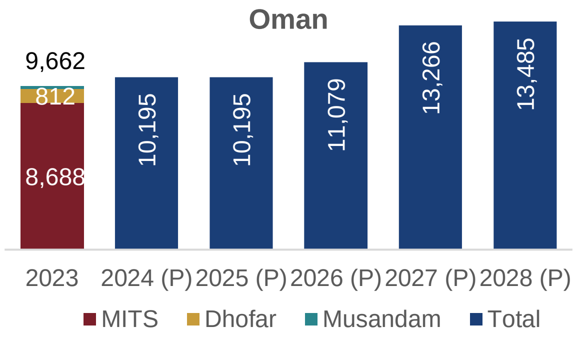


Source: DEWA, Annual Statistics 2023, CRISIL MI&A



Source: Saudi Electricity Company, National Grid SA Profile 2023, CRISIL MI&A





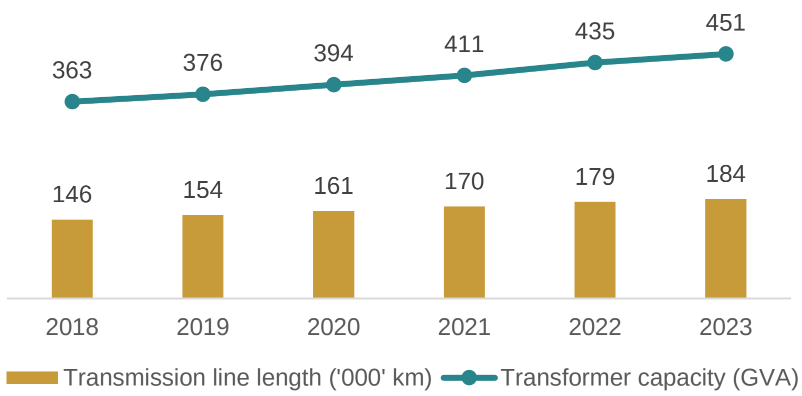
**For 2022; Source: Ministry of Electricity & Water & RE, Kuwait, Electrical Energy Statistical Yearbook 2022, CRISIL MI&A*

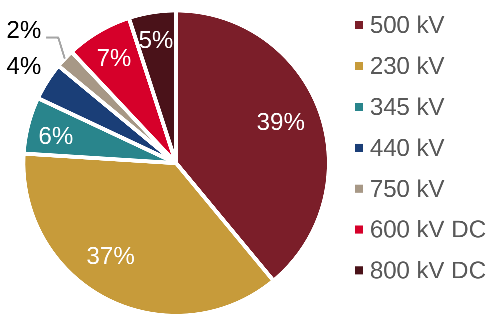
**Different regional entities in Oman namely main Interconnection Transmission System (MITS); Dhofar Power System and Musandam Power (P): Projected*
Source: Oman Electricity Transmission Co.; Annual Transmission Capability Statement (2024-2028, CRISIL MI&A

Latin America

Brazil is the fifth-largest country globally and the largest in Latin America. Brazil's energy agency Empresa de Pesquisa Energética ("**EPE**") published a study recommending a high voltage direct current ("**HVDC**") project to connect future generation projects and expand the exchange capacity between the north/northeast and southeast/centre-west regions. As of 2023, Brazil's transmission network consisted of about 184,019 km of transmission lines operating at voltage levels of 230 kV AC, 345 kV AC, 440 kV AC, 500 kV AC, ±600 kV DC, 750 kV and ±800 kV DC. Of the installed line length, 39% was at 500 kV, followed by 37% at 230 kV. During the 2018–2023 period, the transmission line network increased at a CAGR of 4.8%. The transformer capacity demonstrated a CAGR of 4.4% during the same period.

Historical growth in Brazil's transmission network & breakup of transmission voltage levels

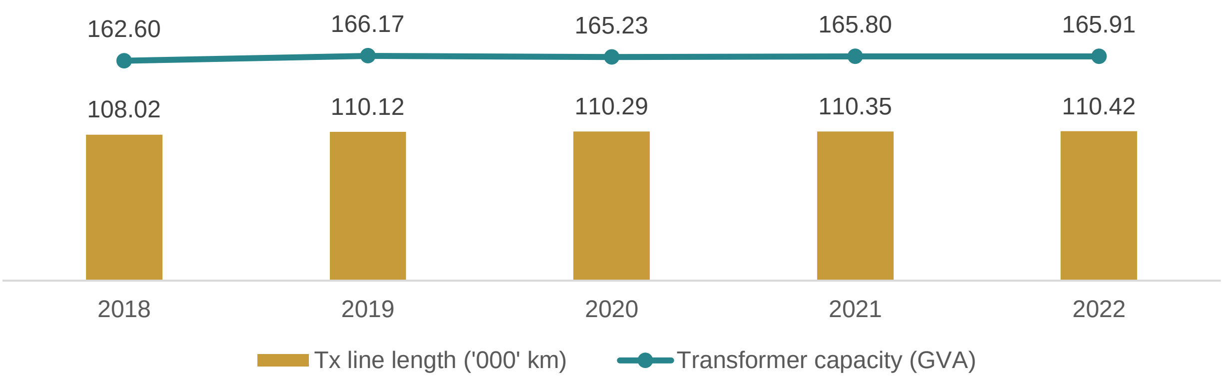




Source: Brazil's Industry reports, CRISIL MI&A

In Mexico, as of 2022, CFE Transmission has 56,376 km of transmission lines in voltages from 161 kV to 400 kV, as well as 54,048 km of transmission lines at voltages of 69 kV to 138 kV, adding a total of 110,424 km of transmission lines that make up the national transmission network. During 2018 to 2022, an increase of 3,319 km of transmission lines was achieved in various voltages and 136 power substations were built to add 7,195 MVA to transformation capacity. In addition, it has 2,279 substations with a capacity of 165,908 MVA's as of 2022.

Mexico's Historical growth in transmission capacity



Source: CFE Transmission, CRISIL MI&A

As of 2023, Chile's transmission network comprised about 31,284 km of line length at 500 kV, 345 kV, 220 kV, 154 kV and 112 kV voltage levels. Of the total installed line length, 60% were at 220 kV level, 15% at 500 kV, and the rest at low voltage.

Further, Peru had 30,457Ckm of line length in 2023 and this is expected to rise to 35,100Ckm by 2028.

Africa

Power Africa is a U.S. government-led partnership that harnesses the collective resources of public and private sectors to double access to electricity in sub-Saharan Africa. Power Africa's goal is to add at least 30,000 megawatts ("**MW**") of cleaner and more reliable electricity generation capacity and 60 million connections by 2030. During the 10 years period (2013 to 2023), approximately 14,300 MW of Power Africa-supported projects financially closed – including 7,600 MW already online.

Between 2018 and 2023, Power Africa invested over $65 million of USAID funding to improve energy access in East Africa. During this period, 494 MW of the projects were financially closed, 476 MW of projects were commissioned, and 1,530 km of power lines were commissioned in East Africa. In July 2023, 12 West African countries realized a landmark achievement by uniting their national power grids. The electricity networks of Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Liberia, Mali, Mauritania, Senegal, Sierra Leone, The Gambia, and Togo are now synchronised and function as a unified network. This synchronisation enables a regional energy market where cleaner and more cost-effective energy can be exchanged across borders, reducing reliance on expensive, polluting sources and increasing access to reliable electricity for people and businesses.

During 2023, Power Africa switched on 1,042 MW of clean energy-based electricity to power homes and businesses and extended 4,100 KM of power lines across West Africa improving transmission and distribution structure to reach more people.

Outlook on the transmission sector

India

The power transmission sector in the country has grown steadily in recent years, mainly due to the rising demand for electricity and the increasing capacity of power generation plants, particularly renewable energy plants. A major factor driving the further expansion of the grid is the need to evacuate electricity from upcoming renewable energy projects. Green energy corridors and a transmission system for renewable energy zones are already being built to make it easier to integrate renewable energy into the grid.

Following are the major transmission capacity additions as envisaged until till Fiscal 2029:

Under-construction transmission lines (in ckm)

Sl. No.	Fiscal	WR	SR	NR	ER	NER	Total
1.	2023-24	980	320	354	-	371	**2,025**
2.	2024-25	3,479	1,611	7,742	185	340	**13,357**
3.	2025-26	1,642	940	178	3	150	**2,913**
4.	2026-27	-	-	-	-	-	-
5.	2027-28	-	-	-	-	-	-
6.	2028-29	-	-	2,028	-	-	**2,028**
	Total	**6,101**	**2,871**	**10,302**	**188**	**861**	**20,322**

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region
Source: CTUIL ISTS Rolling plan 2028 to 2029 Report; CRISIL MI&A

Under-construction transformation capacity (in MVA)

Sl. No.	Fiscal	WR	SR	NR	ER	NER	Total
1.	2023-24	5,000	5,000	7,135	-	-	**17,135**
2.	2024-25	41,500	18,000	49,185	1,250	320	**110,255**
3.	2025-26	20,500	24,000	3,715	1,500	320	**50,035**
4.	2026-27	1,000	-	-	-	-	**1,000**
5.	2027-28	-	-	-	-	-	-
6.	2028-29	-	-	6,630	-	-	**6,630**
	Total	**68,000**	**47,000**	**66,665**	**2,750**	**640**	**185,055**

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region
Source: CTUIL ISTS Rolling plan 2028 to 2029 Report; CRISIL MI&A

Under planning/ approval/ bidding transmission lines (in ckm)

Sl. No.	Fiscal	WR	SR	NR	ER	NER	Total
1.	2024-25	-	-	-	-	-	-
2.	2025-26	1,670	320	6,652	850	120	**9,612**
3.	2026-27	3,870	3,013	4,835	-	-	**11,718**
4.	2027-28	-	1,960	-	50	75	**2,085**
5.	2028-29	2,558	360	1,964	-	-	**4,882**
	Total	**8,098**	**5,653**	**13,451**	**900**	**195**	**28,927**

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region
Source: CTUIL ISTS Rolling plan 2028 to 2029 Report; CRISIL MI&A

Under planning/ approval/ bidding transformation capacity (in MVA)

Sl. No.	Fiscal	WR	SR	NR	ER	NER	Total
1.	2024-25	-	500	5,000	-	-	**5,500**
2.	2025-26	26,100	12,500	46,390	6,000	1,400	**92,390**
3.	2026-27	39,500	37,000	35,700	-	-	**112,200**
4.	2027-28	-	28,000	-	-	-	**28,000**
5.	2028-29	22,630		7,500	-	-	**32,980**
	Total	**88,230**	**80,760**	**94,590**	**6,000**	**1,400**	**270,980**

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region
Source: CTUIL ISTS Rolling plan 2028 to 2029 Report; CRISIL MI&A

Investments of approximately ₹ 2.5 trillion to ₹ 3.5 trillion expected in the Indian transmission segment

To service a large generation installed base, the estimated investment in the transmission sector is expected to cumulatively reach approximately ₹ 2.5 trillion to ₹ 3.5 trillion for Fiscal 2025 to Fiscal 2029. Investments in the sector are expected to be driven by the need for a robust and reliable transmission system to support continued generation additions and the strong push to the renewable energy sector as well as rural electrification. In addition, strong execution capability coupled with the healthy financials of PGCIL will drive investments.

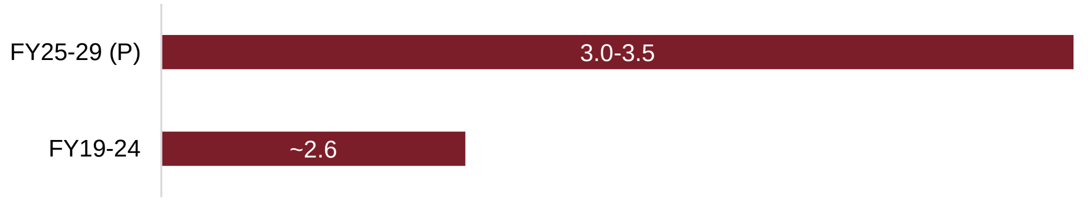
As capacity additions in India are not evenly distributed geographically, few regions in the country will be in deficit and others in surplus. To cater to this, there will be a need to import/export from/to regions. A number of inter-regional transmission corridors have been planned, and some of these high-capacity transmission corridors are in various stages of implementation. Newly sanctioned projects under the North-Eastern System Strengthening Scheme and system strengthening schemes focused in the Ladakh region are also expected to augment investments in the transmission segment.

1. North-Eastern region power system improvement project

2. A comprehensive scheme of T&D system in Arunachal Pradesh and Sikkim

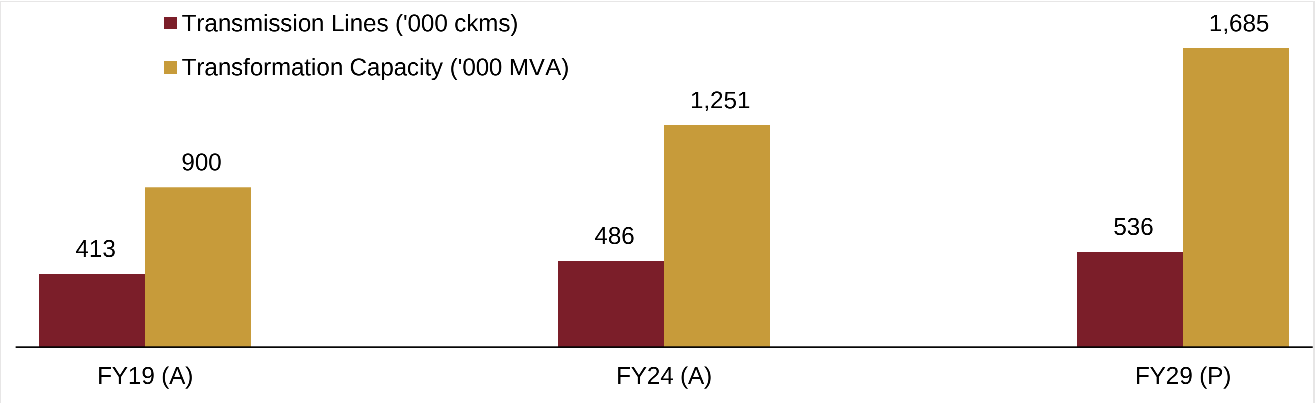
3. A 220 kV transmission system from Alusteng (Srinagar) to Leh (via Drass, Kargil, Khalsti and Leh substations in Jammu and Kashmir)

Investment in the transmission sector (₹ Trillion)



The numbers do not include private sector investments in T&D sector
(P): Projected
Source: CRISIL MI&A

Growth in transmission lines and transformation capacity



Source: CEA, CRISIL MI&A

The National Electricity Plan (Transmission), developed by CEA in consultation with various stakeholders, outlines a comprehensive strategy to achieve the Indian government's energy transition goals. It details the transmission infrastructure required to support 500 GW of RE capacity by 2030, increasing to over 600 GW by 2032. Further, implementation of CERC General Network Access (GNA) Regulations is expected to facilitate non-discriminatory open access to inter-State transmission system and provide flexibility to Discoms to procure higher component of power from IPPs across India.

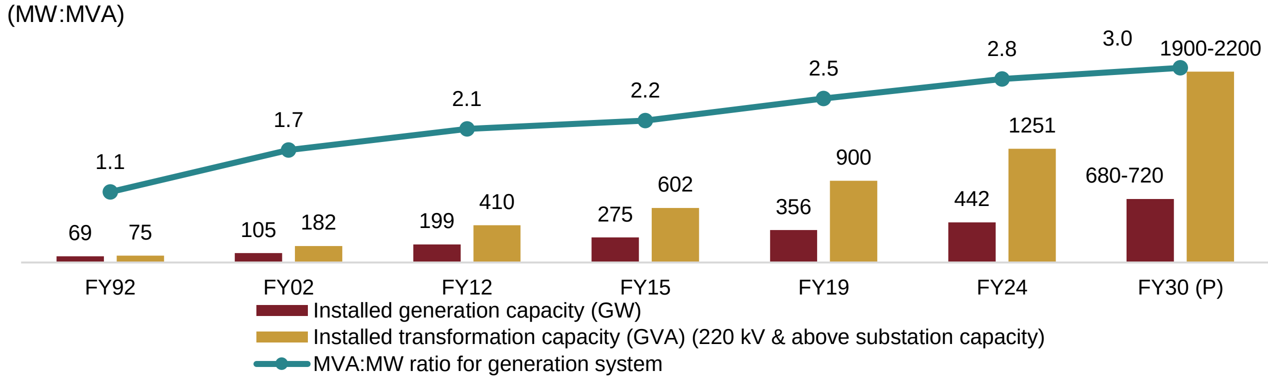
To achieve the RE generation target, strong transmission infrastructure is needed so as to integrate large scale RE capacities into the grid. This is expected to lead to transmission investments of ₹ 2.5 trillion to ₹ 3.5 trillion between Fiscal 2025 to Fiscal 2029 from approximately ₹ 2.6 trillion between Fiscals 2019 to Fiscal 2024 led by upcoming ISTS projects.

Additionally, CRISIL MI&A expects ₹ 3 trillion to ₹ 4 trillion worth of investments in the distribution segment between Fiscal 2025 to Fiscal 2029 driven by upgradation of distribution infrastructure along with installation of smart meters as India focuses on reduction of its carbon emission. Thus, total investment in power transmission and distribution sector is estimated at around ₹ 5.5 trillion to ₹ 7.5 trillion (i.e. USD 66 billion to USD 90 billion) over the next five years.

Domestic investments in T&D to be led by intra-state augmentation (India)

To ensure free and uninterrupted flow of power, every MW of new generation capacity needs a certain transformation capacity added to the system. In the Indian context, the 220 kV and above level of transformation to generation addition ratio (MVA: MW) has remained low over the years. At the end of March 1992, this ratio was 1.1 times and has improved to 2.8 times as of March 2024. A lower transformation capacity results in line congestion, which has been visible particularly in the inter-state transmission of power. With the government's focus on alleviating congestion, transmission capacities are expected to witness growth in transformation capacity additions during the 14th Plan.

Transformation vs generation capacity



(P): Projected.
Source: CEA, CRISIL MI&A

Consequently, in the transmission line segment, robust growth in HV lines of 400kV and 765kV is expected due to their importance in inter-state transmission lines. A higher voltage level enhances power density, reduces losses, and efficiently delivers bulk power. Moreover, it reduces the requirement of right-of-way due to less land requirement, a key challenge faced by the transmission sector. Thus, CRISIL MI&A believes that the MVA:MW ratio would further improve to around 3.0 by March 2030.

Continued state investments and RE integration schemes to support domestic demand (India)

In contrast to the previous few years, where the central sector used to drive investments in the sector, focus has now shifted to intra-state transmission additions and improving the intra-state transmission network. The rise in investments by states is expected on account of plans to decongest transmission networks to accommodate higher renewables, allow ISTS transmission of power and improve grid availability for open access of power.

Demand is seen in the states of Madhya Pradesh, Andhra Pradesh, Rajasthan, Jharkhand, and Tamil Nadu, with ongoing system strengthening initiatives in the western and southern regions in the past few fiscals and are now being witnessed in the eastern and north-eastern regions of the country, with several strengthening schemes approved for the same.

Renewable energy integration to further support domestic demand (India)

The rapid addition of renewable capacities requires adequate grid infrastructure to evacuate incremental power. This has increasingly emerged as a concern, with developers lowering participation in bids where this has been a key issue. Specifically, for wind, a majority of the best wind sites are concentrated in a few states such as Rajasthan, Gujarat, Tamil Nadu, Andhra Pradesh, and Karnataka, which causes increased congestion in specific regions of these states.

However, nodal agencies (PGCIL and SECI) have planned various schemes to alleviate grid congestion and improve connectivity to RE projects. The grid capacity additions will come under two main schemes, namely the

Green Energy Corridor Scheme and Renewable Energy Zones ("**REZ**"). This would add approximately80 GW of transmission grid capacity to the existing approximately24 GW, taking the grid capacity planned for RE integration to approximately 100 GW.

The GEC scheme is aimed at developing specific evacuation corridors for renewable energy in key renewable rich states. The government has planned to integrate renewable energy into the national grid by setting up inter-state and intra-state schemes for evacuation of power from wind and solar projects, termed as green energy corridors. GEC target of approximately9,700 ckm of intra-state transmission lines by December 2020 has overshot the timeline both due to operational reasons and Covid-related restrictions. The constructed lines stood at 8,940 ckm till July 2023, while in 2020 PGCIL completed the interstate transmission units with Phase I of the ISTS program. The next growth driver for ISTS projects is the inter-state transmission system planned for evacuation and grid integration of 66.5 GW REZ spread across the states of Tamil Nadu, Andhra Pradesh, Karnataka, Gujarat, Maharashtra, Rajasthan, and Madhya Pradesh. In February 2024, GEC Phase – II – inter-state transmission system of 13 GW renewable energy along with 12 GWh Battery Energy Storage System ("**BESS**") was sanctioned to Ladakh which will be implemented by PGCIL and is scheduled to be completed in Fiscal 2030.

PGCIL has also come out with a scheme for setting up grid infrastructure in the identified REZ. Under the scheme, key areas with concentration of existing / planned renewable energy projects have been identified in the western and southern regions of the country. Out of these, 8 GW of grid capacity will be added for wind projects in the western region and 9 GW in the southern region.

Intra-state transmission systems planned and constructed under the Green Energy Corridor project

State	Lines Target (ckm)	Lines constructed (ckm) as of 31 July 2023
Tamil Nadu	1,068	1,068
Rajasthan	1,054	984
Andhra Pradesh	1,073	814
Himachal Pradesh	502	485
Gujarat	1,908	1,526
Karnataka	618	618
Madhya Pradesh	2,773	2,773
Maharashtra	771	672
Total	**9,767**	**8,940**

Source: MNRE, CRISIL MI&A

Major upcoming transmission lines and substation projects in India

Some of the key upcoming transmission lines and substation projects upcoming as per the ISTS rolling plan include the following:

Region-wise upcoming transmission lines up to 2028 to 2029

Sl. No.	Fiscal	Region	Transmission line	Length (ckm)
1.	2024-25	WR	Navsari (New) (South Gujarat) (GIS) – Padghe (GIS)	400
2.	2024-25	SR	Narendra New (GIS) - Pune (GIS) 765 kV D/c line	680
3.	2024-25	NR	Bhadla II - Sikar II 765 kV D/C line	612
4.	2024-25	ER	NKSTPP – Gaya 400kV D/c (quad) line	185
5.	2024-25	NER	Bongaigaon (POWERGRID) – Nangalbibra 400kV D/c line	280
6.	2025-26	WR	Mandsaur PS – Indore (PG) 765 kV D/c Line	400
7.	2025-26	SR	Anantapuram PS - Cuddapah 400 kV D/c line	300
8.	2025-26	NR	Bikaner-III – Neemrana-II 765 kV 2xD/c line	1,400
9.	2025-26	ER	Angul - Paradeep 765 kV D/c line	380
10.	2025-26	NER	Kathalguri (NEEPCO) – Namsai (POWERGRID) 220kV D/c line	150
11.	2026-27	WR	Halvad – Jamnagar 765kV D/c line	340
12.	2026-27	SR	Rangareddy PS - Nizamabad-II 400kV D/c line	310
13.	2026-27	NR	Bikaner-IV PS – Siwani 765 kV 2xD/c line	1,040
14.	2027-28	SR	Kurnool-IV - Bidar PS 765kV D/c line	560
15.	2027-28	ER	LILO of circuits of Angul – Sundargarh (Jharsuguda) 765kV 2xS/c lines	50

Sl. No.	Fiscal	Region	Transmission line	Length (ckm)
16.	2027-28	NER	Extension of Alipurduar – Bongaigaon 400kV D/c line	70
17.	2028-29	WR	±800 kV HVDC Bipole line between KPS2 (HVDC) and Nagpur (HVDC)	1200
18.	2028-29	SR	Avaraikulam Onshore PS – Tuticorin PS 400 kV D/c quad line	200
19.	2028-29	NR	±800KV HVDC line (Hexa lapwing) between Bhadla-3 & Fatehpur	1,900

Source: CTUIL ISTS rolling plan 2028 to 2029 report; CRISIL MI&A

Region-wise upcoming substations up to 2028 to 2029

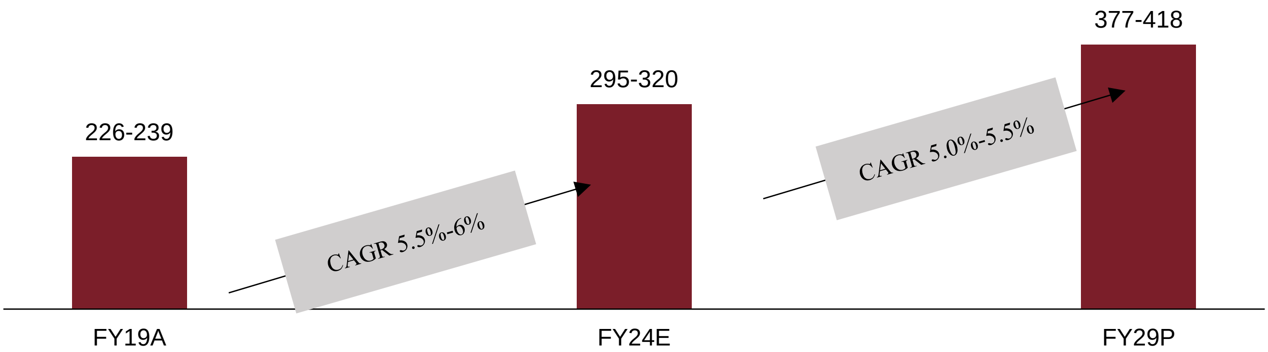
Sl. No.	Fiscal	Region	Substations	Transformation capacity (MVA)
1.	2024-25	WR	Establishment of 765/400 kV, 4x1500MVA, KPS2 (GIS)	6,000
2.	2024-25	SR	Establishment of 2x1500 MVA, 765/400 KV pooling station at suitable location in Kurnool district (Kurnool-III)	3,000
3.	2024-25	NR	Establishment of 765/400 kV, 3X1500 MVA GIS substation at Narela	4,500
4.	2024-25	ER	400/220kV, 2x500MVA ICTs along with associated bays (220kV bays in GIS and 400kV bays in AIS) at Banka	1,000
5.	2024-25	NER	Establishment of new 220/132kV, 2x160MVA substation at Nangalbibra	320
6.	2025-26	WR	Establishment of 765/400 kV, 2x1500 MVA	3,000
7.	2025-26	SR	Establishment of a 3x1500MVA (765/400kV) Bidar PS	4,500
8.	2025-26	NR	Establishment of a 6x1500 MVA, 765/400kV & 5x500 MVA 400/220kV Bikaner-III Pooling Station	9,000
9.	2025-26	ER	Establishment of Paradeep 765/400kV, 2x1500MVA GIS substation	3,000
10.	2025-26	NER	400/220kV, 2x500MVA ICTs at Gogamukh	1,000
11.	2026-27	WR	Establishment of a 4x1500 MVA, 765/400 kV and 2x500 MVA, 400/220 kV Boisar-II	6,000
12.	2026-27	SR	Establishment of a 765/400kV 4x1500 MVA pooling Station near Nizamabad	6,000
13.	2026-27	NR	Establishment of a 765/400 kV, 6x1500 MVA S/s at a suitable location near Siwan	9,000
14.	2027-28	SR	Augmentation of transformation capacity at 765/400 kV Nizamabad-II by 2X1500 MVA	3,000
15.	2028-29	WR	Establishment of a 6x1500MVA, 765/400 kV ICT at Nagpur SS	9,000
16.	2028-29	SR	Establishment of 3x500 MVA, 400/230 kV Onshore Pooling Station near Avaraikulam	1,500
17.	2028-29	NR	Establishment of a 5x1500MVA, 765/400KV ICTs at Fatehpur (HVDC)	7,500

Source: CTUIL ISTS Rolling plan 2028 to 2029 Report; CRISIL MI&A

Global T&D Market size

The global power transmission and distribution market size is expected to reach USD 377 billion to USD 418 billion in 2029 compared to an estimated USD 295 billion to USD 320 billion registering a CAGR of 5.0% to 5.5% during the period.

Global Power transmission and distribution (T&D) market size ($ billion)



E: Estimated, P: Projected
Source: Industry, CRISIL MI&A

The growth in population, rapid urban development, and industrialisation have played a major role in the rising need for energy. This has led to rapid investments by companies. The increasing need for electricity is fueling investments in electricity infrastructure, driven by urbanisation and population growth. With the expanding urban areas and growing populations, there is an increasing demand for electricity, which necessitate the enhancement of the current infrastructure and the addition of new transmission and distribution lines. The growing focus on reliability and stable energy supply are driving investments in electricity infrastructure.

An increasing trend can be observed in investments made in renewable energy infrastructure since there is growing focus on more sustainable and energy efficient sources. As RE sources become more competitive and popular, there is an increasing need for transmission infrastructure to transmit energy from the source to consumers. Greater focus on RE has shifted investment patterns from conventional T&D infrastructure to RE transmission infrastructure. Furthermore, the integration of RE sources into the grid requires the establishment of a new distribution infrastructure. Increasing multi-lateral power trade and requirement of cross border transmission lines for such power trade is expected to attract investments in the power transmission sector.

Key growth drivers for Global T&D Market

European Union

The European Union has set a target of reducing net greenhouse gas emissions by at least 55% by 2030, relative to 1990 levels, and reaching climate neutrality by mid-century. The European Commission adopted the Net Zero Industry Act in June 2024, to bolster the manufacturing of clean technologies, with the objective of meeting 40% of the EU’s deployment needs by 2030 and reducing today’s reliance on imports. According to European Commission, wind and solar generation capacity must increase from 400 GW in 2022 to at least 1,000 GW by 2030, including a large build-up of offshore renewables up to 317 GW3, to be connected to shore. Therefore, grids need to adapt to a more decentralised, digitalised and flexible electricity system with millions of rooftop solar panels and local energy communities sharing resources.

The European Commission has also observed that the planning and operation of Europe’s electricity transmission and distribution networks must also correlate with the planning and operation of the new hydrogen infrastructure, energy storage, charging infrastructure for e-mobility and CO_2 infrastructure. As a result of these trends, Europe’s network must rapidly upgrade and expand. ENTSO-E’s Ten-Year Network Development Plan (“**TYNDP**”) shows that in the next seven years the cross-border transmission infrastructure should double, with an additional 23 GW capacity being incorporated by 2025 and a further 64 GW by 2030. Around 40% of Europe’s distribution grids are over 40 years old and need to be modernised. Industry estimates around EUR 375 billion to EU 425 billion of investment in distribution grids is necessary by 2030. Overall, the European Commission estimated that EUR 584 billion in investments are necessary for the electricity grids this decade.

Middle East

Five countries within the region have established goals to achieve net zero emissions. The UAE and Oman have set targets of achieving net zero emissions by 2050, whereas Saudi Arabia, Bahrain, and Kuwait have a target set for 2060. Moreover, the UAE has promised to decrease emissions by 19% compared to 2019 levels by 2030. Furthermore, it has dedicated USD 30 billion in catalytic funds to introduce a climate-centric investment program at COP28. The IEA anticipates that energy investments in the Middle East will amount to about USD 175 billion by 2024, with clean energy contributing to roughly 15% of the overall investment.

The Arab Petroleum Investments Corporation ("**APICORP**"), an energy-focused multilateral development financial institution, and the Islamic Development Bank ("**IsDB**") have established the Infra Initiative, a USD 1 billion private sector-focused infrastructure financing initiative. The Infra Initiative's funds will be used to finance strategic utility projects that contribute to human and economic development in the two multilateral financial institutions' member countries and their respective national development strategies. The two institutions will jointly identify and deliver structured finance facilities to utilities projects with limited access to international financing. Under the Infra Initiative, funds will be allocated to electricity generation and transmission projects which utilise renewable energy or natural gas, as well as water and waste management facilities. The involvement of the private sector at the local, regional, and international levels will also be a priority in the project selection process.

Latin America

The Latin America region is estimated to foresee growth during 2024 to 2032. The demand for uninterrupted power supply is widely increasing within the region, which increases the need to expand electricity generation capacities. Governments in several countries in this region are phasing out coal and nuclear plants and installing renewable energy sources. This increases the establishment of a transmission network and drives growth in the region. In the last decade, Latin American and Caribbean countries have implemented efforts to reduce their emissions. Between 2015 and 2022, the region increased its renewable capacity by 51%, reaching 64% generation from renewable sources in 2022.

The Inter-American Development Bank ("**IDB**") acts as technical secretariat of the "Renewables in Latin America and the Caribbean" ("**RELAC**") initiative, which brings together 16 countries in the region. By 2030, member countries have committed to accelerate the transition towards carbon-neutral electricity systems in Latin America and the Caribbean ("**LAC**"), ensuring that at least 80% of electricity generation is derived from renewable sources. Currently, electrical interconnection in Latin America is advancing through bilateral connections and subregional efforts. An example is the Electrical Interconnection System of the Central American Countries ("**SIEPAC"**), which achieves the integration of six Central American countries through 1,800 km of transmission lines.

Africa

African Union's ("**AU**") Agenda 2063 seeks to promote economic growth, industrialisation, and regional integration in Africa. The creation of a continent-wide electricity transmission network is pivotal to this vision; it is an endeavor that is poised to unleash extraordinary socio-economic advantages and foster sustainable development. The African Continental Power Systems Masterplan ("**CMP**") was developed under the governance structure of the African Union Development Agency- New Partnership for Africa's Development ("**AUDA-NEPAD**"). The goal of the CMP is to address the electricity shortfall and promote an equitable distribution of cost-effective, dependable, and sustainable energy sources. As per the CMP AUDA, the current baseline projections anticipate that the continent's electricity consumption will increase from 878 TWh in 2021 to 2,368 TWh by 2040. The interconnected network of electricity resources and infrastructure that spans across national and regional boundaries serves as the fundamental structure of a continent-wide power system. Enhanced integration brings added value both to the continent as a whole and to specific regions, regardless of the extra investment in transmission interconnectors. As per the CMP by AUDA, At a continental scale, an estimated USD 1. 32 trillion is required to achieve the desired growth by embracing an integrated strategy.

Overview of Oil and Gas Sector in India

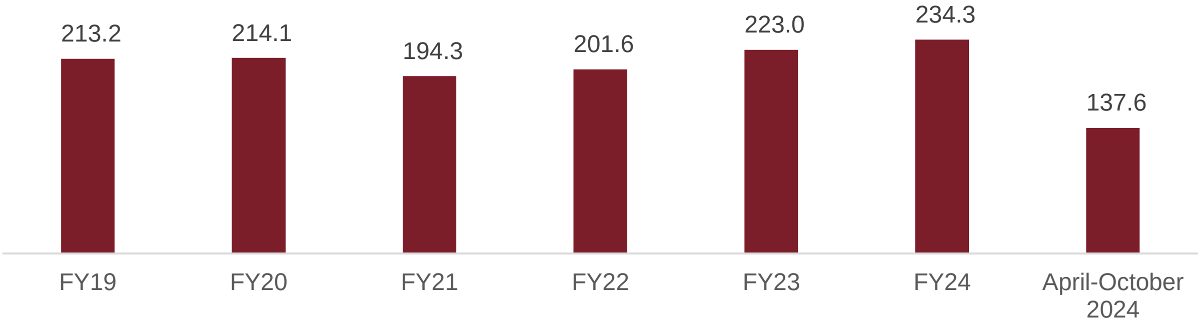
Overview of petroleum products in India

Demand for petroleum products in India

India's overall petroleum product consumption rose by 5%, reaching 234.3 MMT in April to March 2024, compared to 223 MMT during the same period in the previous year. A detailed product-wise breakdown reveals that liquified petroleum gas ("**LPG**") consumption increased by 4%, rising from 28 MMT in April to March 2023 to 29 MMT in April-March 2024. As of October 2024, there were 328 million active LPG domestic connections managed by public sector undertakings (PSUs).

India's import of petroleum products stood at 30.1 MMT during April-October 2024, reflecting an increase of 7.9% compared to 27.9 MMT during the same period in 2023. In Fiscal 2024, imports reached 48.7 MMT, up 9.2% from 44.6 MMT in Fiscal 2023.

Petroleum products demand (MMT)



Source: PPAC, CRISIL MI&A

Key growth drivers of petroleum products demand in India

Key growth drivers of petroleum products demand in India

Drivers	Descriptions
Economic growth and industrialization	• India's economy has consistently grown at a robust rate, spurring demand for energy and petroleum products. • Expanding manufacturing and industrial activities, especially in sectors such as chemicals, fertilisers, and steel, require significant quantities of petroleum-based inputs such as natural gas and fuel oils.
Urbanisation and infrastructure development	• Rapid urbanization increases demand for transportation fuels such as petrol and diesel due to rising vehicle ownership. • Large-scale infrastructure development under government initiatives such as Smart Cities, Bharatmala, and Sagarmala have heightened the demand for bitumen, lubricants, and other petroleum-based materials.
Rising population and energy needs	• India's growing population contributes to higher household energy needs, with Liquefied Petroleum Gas ("LPG") being a critical source of cooking energy. • As rural areas gain access to electricity and energy infrastructure, the demand for diesel generators and kerosene diminishes but remains relevant in remote areas.
Transportation sector	• Rising disposable incomes and improving road networks have led to increased private vehicle ownership. • Public Transport and Aviation: Expansion of public transport systems and increased air travel have boosted demand for diesel, petrol, and aviation turbine fuel ("ATF").
Policy support and subsidies	• Government programmes such as Pradhan Mantri Ujjwala Yojana ("PMUY") have boosted the consumption of LPG in rural areas. • Initiatives like ethanol blending in petrol have expanded the market for blended fuels, enhancing the overall demand.

Source: CRISIL MI&A

Regulatory framework in petroleum products market

The petroleum sector in India operates under a complex regulatory framework managed by multiple agencies and policies to ensure energy security, environmental compliance, and consumer protection.

Regulatory framework in petroleum products market

Framework	Descriptions
Key regulatory bodies	• Ministry of Petroleum and Natural Gas ("MoPNG"): The central authority overseeing exploration, refining, distribution, and pricing of petroleum products.

Framework	Descriptions
	• Petroleum and Natural Gas Regulatory Board ("PNGRB"): Regulates downstream activities, including transportation and distribution of petroleum and natural gas. • Oil Marketing Companies ("OMCs"): Government-owned companies like Indian Oil Corporation ("IOC"), Bharat Petroleum ("BPCL"), and Hindustan Petroleum ("HPCL") play a major role in marketing and pricing.
Pricing mechanism	• Petrol and diesel prices have been deregulated, allowing market-driven pricing. However, LPG and kerosene prices remain subsidised to ensure affordability for low-income households. • Retail fuel prices are updated daily to reflect global crude oil price fluctuations.
Energy security and exploration policies	• Hydrocarbon Exploration and Licensing Policy ("HELP"): Aimed at increasing domestic crude oil and natural gas production to reduce dependence on imports. • Strategic Petroleum Reserves ("SPR"): Maintained to ensure energy security during supply disruptions.
Renewable and alternative fuels integration	• Ethanol Blending Targets: Policies mandate 20% ethanol blending in petrol by 2025. • Promotion of CNG and LNG: Investments in CNG and LNG infrastructure are incentivised to reduce dependency on conventional fuels.

Source: CRISIL MI&A

Petroleum products pipeline in India

India's pipeline network has been expanding significantly, with 13,652.5 km of authorised pipelines, of which 9,223 km are operational, and 4,341.5 km are under construction. This steady growth reflects the government's and industry stakeholders' commitment to enhancing the country's energy logistics and distribution capabilities.

Petroleum products pipelines

Details (As on 30th September 2024)	Length (km)
Authorised	13,652.5
Operational	9,223
Under construction	4,314.5

Source: PNGRB

Major upcoming petroleum product pipelines

Pipeline	Entity	Authorized length (km)	Authorized capacity (mmtpa)	Under construction length (km)	Target completion	Passing through states
Irugur – Devangonthi	BPCL	294	3.52	294	Dec-25	Tamil Nadu, Karnataka
Kochi – Coimbatore – Erode – Salem	KSPPL	458	1.53	255	Mar-25	Kerala, Tamil Nadu
Ennore – Port Manali Industrial Area	IMC Ltd	21	7	21	Jul-20	Tamil Nadu
Kandla – Gorakhpur	IHB Ltd	2,757	8.25	2,757	Sep-24	Gujarat, Madhya Pradesh, UP
Krishnapatnam – Hyderabad	BPCL	455	4.4	455	Mar-25	Telangana, Andhra Pradesh
JNPT to Navi Mumbai Airport (ATF)	IOCL	22	4.45	22	Aug-25	Maharashtra
Haldia – Panagarh	HPCL	215	1.45	215	Nov-25	West Bengal
Piyala – Jewar	BPCL	34	4.58	34	Feb-26	Uttar Pradesh, Haryana
Devangonthi – Chitradurga	IOCL	232	2.6	232	Jun-26	Karnataka, Andhra Pradesh
Malkapur to Rajiv Gandhi International Airport	BPCL	56.5	4.99	56.5	Sep-27	Telangana

Source: PNGRB

The operational pipelines, covering 17 key routes, demonstrate robust infrastructure already in place, servicing various industrial, residential, and transportation sectors. Notable pipelines like the Jamnagar–Loni (1,414 km) and Mundra–Delhi (1,334 km), operated by GAIL and HPCL respectively, highlight the scale and efficiency of the existing network. These pipelines connect critical industrial hubs and serve multiple states, ensuring uninterrupted fuel supply across regions. The presence of pipelines in states such as Maharashtra, Karnataka, and Tamil Nadu indicates their strategic importance in industrially vibrant regions. Moreover, pipelines like the Bina–Panki and Numaligarh–Siliguri illustrate the focus on extending connectivity to emerging regions such as Uttar Pradesh, Assam, and West Bengal.

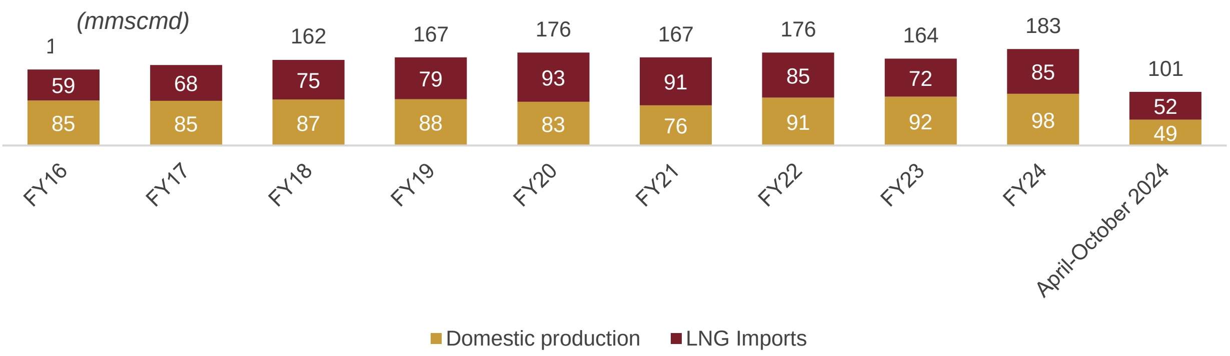
With over 4,341.5 km of new pipelines under construction, significant projects such as the Kandla–Gorakhpur pipeline (2,757 km) underscore India's push for long-distance connectivity, linking the western industrial corridor to the eastern and northern markets. This pipeline, with a capacity of 8.25 MMTPA, is a critical infrastructure project expected to catalyse industrial growth in states like Gujarat, Madhya Pradesh, and Uttar Pradesh. Additionally, pipelines like Krishnapatnam–Hyderabad and Haldia–Panagarh reflect efforts to strengthen connectivity in the southern and eastern regions, supporting regional energy demand growth.

Overview of natural gas in India

Natural gas consumption in India clocked a CAGR of 3.8% between Fiscal 2016 and Fiscal 2020, rising to approximately 176 mmscmd in Fiscal 2020. However, it dipped 5% in fiscal 2021 due to Covid-19 related challenges such as constrained transportation and industrial activities. Demand rose again approximately4.8% in Fiscal 2022. Growth was driven by higher offtake from end-use industries as economic and industrial activity and personal mobility gained traction. Segments such as CGD saw healthy growth. In Fiscal 2023, demand from natural gas declined by approximately 6%. The fall in demand was attributable owing to a steep rise in prices and constrained supplies under long-term LNG contracts. Demand remained subdued from the power, refinery and petrochemicals sector as these sectors are dependent on imported gas.

In Fiscal 2024, demand from natural gas rose 19.7% driven by Power (20.2%), Refinery (49.4%) and Petrochemicals (47.0%). Power demand continues to grow owing to reduced hydropower generation. Lowered gas prices domestically and globally along with improved domestic availability aided demand growth in Fiscal 2024.

Demand for natural gas in India



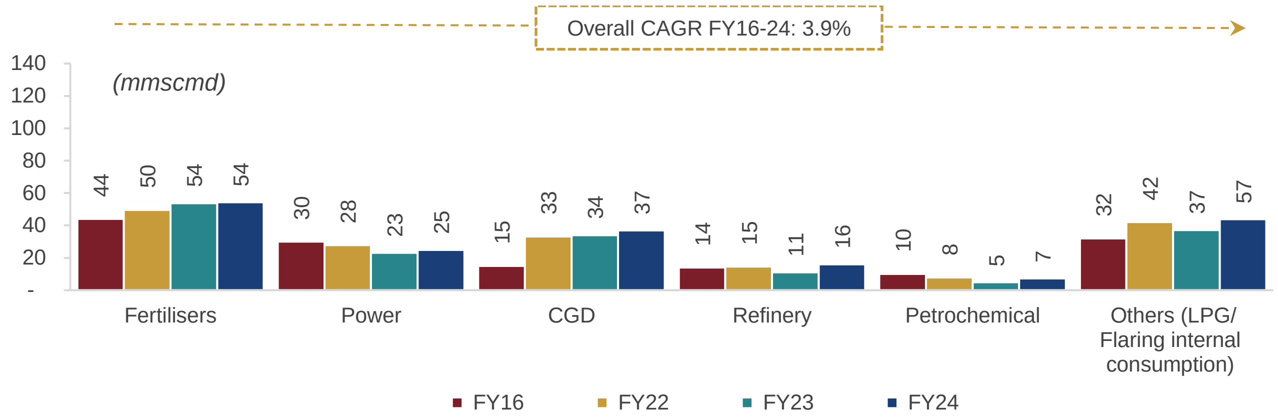
Source: PPAC

Sector-wise natural gas consumption

The energy sector contributes to nearly 60% to 62% of the total natural gas consumption in India. Chief sub-sectors under the umbrella of energy include power generation, gas supplied to CGD networks and refineries.

The balance 38% to 40% of natural gas consumption takes place for non-energy purposes, including fertiliser production, petrochemicals, LPG shrinkage and production of steel/ sponge-iron for steel manufacturing.

Sector-wise Natural Gas Consumption in India



Consumption includes both domestic natural gas and imported RLNG
Other/Misc include internal consumption for pipeline system, agriculture (tea plantation), industry and manufacturing
Totals may not tally due to rounding off. The dataset (P) is based on information provided by Oil and Gas Companies reporting to PPAC i.e. ONGC, OIL, DGH, GAIL, GSPC, Torrent Power Ltd, Shell Energy India Pvt. Ltd., BPCL, RIL and IOCL. Sales to different sectors made by GSPC are on estimated basis, including bifurcation between domestic gas and R-LNG (upto period December 2022), from January 2023 onwards actual value reported by GSPC are taken. From the fiscal 2022 onwards, components of internal consumption related to VAP shrinkage, LPG shrinkage, Captive Power Generation, supply to power houses, supply to crematoriums & schools etc. as reported by Oil and Gas Companies have also been included.
Source: PPAC

Overall, the fertiliser sector is the biggest consumer of natural gas in India. In fiscal 2024, fertiliser manufacturing accounted for 30.6% of the total natural gas consumption in the country. The fertiliser sector is prioritised in gas allocation policy, a system of rationing scarce domestic natural gas. Though prioritisation continues, the volume of domestic gas that can be allocated to the fertiliser industry (and other priority industries) has been declining because of the decline in the production of natural gas. In 2022, about half of the natural gas consumed in the industrial sector was used to produce basic chemicals, mostly ammonia for fertiliser.

Power generation had traditionally been the second-highest natural gas consuming sector but has ceded that position to CGD in the last three fiscals. In Fiscal 2024, CGD contributed 19.6% of the total consumption, followed by power generation at 13.2%.

Regulatory support to drive natural gas demand

Natural gas is versatile and efficient, which makes it a favored energy source. However, the Indian natural gas market has been affected by its availability, affordability, distribution, and import infrastructure. Three critical factors determine demand for gas in the country:

Demand-supply dynamics in end-user sectors

- **Availability of domestic gas:** As the availability of domestically produced gas is limited, the government has regulated the flow of the indigenously produced gas to different sectors based on priority. The domestic piped natural gas and CNG and fertiliser sectors have higher priority in the allocation, which is set based on the end-consumer's affordability and the extent of regulation in the sector.

- **Shift to CNG from petrol:** With more cities being connected to gas networks, penetration of CNG is expected to increase. With petrol prices now, in September 2024 at approximately ₹ 95 per litre, CNG is 23% to28% cheaper after the new price mechanism currently at ₹ 75.1 per kg, thus the switchover would be easier. This, along with new model launches focused on CNG by OEMs, will further accelerate the transition towards CNG vehicles.

- **Regulatory push for cleaner fuels:** The government has provided increased impetus to replace polluting fuel sources with cleaner sources. We expect the regulatory ban on petcoke and fuel oil to extend to more states, which would become easier with extensive city gas infrastructure. Along with the regulatory push for cleaner fuels, lower spot LNG prices are expected to boost the shift from FO to industrial PNG in the long term.

- **Infrastructure availability:** Along with the cost advantage, regulatory restrictions and infrastructure availability are critical for the shift to CGD. With the increasing gas network coverage across different Indian states due to CGD bidding rounds 9, 10, 11, and 12 reach of gas pipelines would not be a problem, resulting in a swifter shift from FO to industrial PNG and petrol to CNG.

With high affordability and/or higher priority in allocation, sectors such as fertilizers and CGD are expected to drive demand for natural gas over the next five years. Sectors such as power, refineries, and petrochemicals will have to rely on LNG.

Strong dependence on LNG to continue

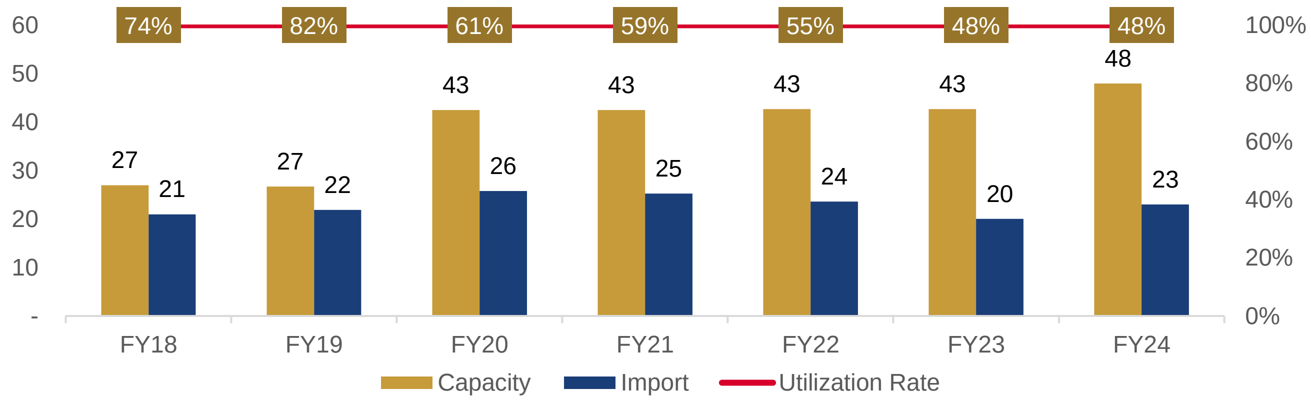
Given the fall in domestic gas output, the share of LNG imports increased significantly over the past recent years. The share of imports stood at approximately 46% of overall consumption in fiscal 2024 as against 44% in Fiscal 2023.

In the long run, despite the expected improvement in domestic gas supply, demand growth rate is expected to outpace supply, and dependence on LNG imports is expected to continue.

The city-gas distribution (CGD - industrial), fertilizer and refinery sectors account for about half of LNG consumption, given their low priority in domestic gas supply and relatively higher affordability.

While older terminals operated at a healthy utilization level of approximately 80% at Dahej, the new LNG terminals are operating at very low utilization. Kochi and Ennore terminals operated at below 25% capacity in Fiscal 2022 and Fiscal 2023. Utilization at Kochi has remained low in the past as the Kochi-Mangaluru pipeline project, which connects the terminal to major markets such as Mangaluru was delayed.

Import capacity vs utilisation (MTPA)



Source: PPAC

Natural gas transmission pipeline

As on 30.09.2024, PNGRB has authorized approximately 33,475 km length of natural gas pipeline network across the country. Out of this, 24,945 km length of natural gas pipelines including spur lines, are operational and a total of 10,805 km length of pipelines is under various stages of construction. The length of operational pipelines has increased from 21,715 kms on 31st March 2022 to 24,945 kms on 30th June 2024. GAIL is the leading player, accounting for more than 60% of the total pipeline infrastructure. Gujarat State Petronet Ltd ("**GSPL**"), which operates mainly in Gujarat, and Brookfield-led India Infrastructure Trust, which operates the East-West gas pipeline connecting Kakinada (Andhra Pradesh) to Bharuch (Gujarat), are the other leading players in the industry.

Gas transmission pipelines

Details (As on 30th September 2024)	Type	Length (Km)	Total (Km)
Authorized natural gas pipelines	Common carrier	31,903	33,475
	Tie-in connectivity	792	
	Dedicated	780	
Operational natural gas pipelines	Common carrier	23,573	24,945
	Tie-in connectivity	202	
	Dedicated	653	
	Sub-transmission pipelines	517	
Under construction natural gas pipelines	Common carrier	9,528	10,805
	Tie-in connectivity	593	
	Dedicated	122	
	Sub-transmission pipelines	562	

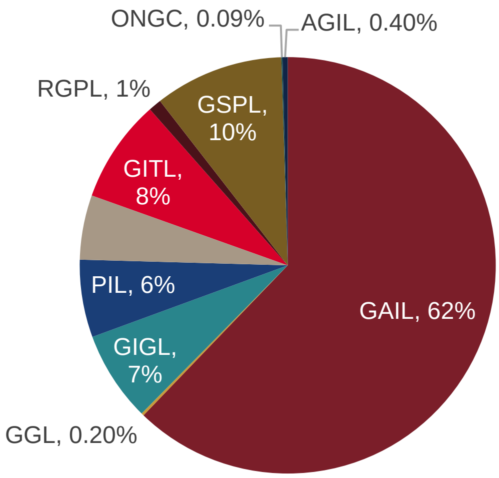
Source: PPAC

Major Upcoming natural gas pipelines

Pipeline	Authorised entity	Upcoming capacity (mmscmd)	Length (km) (upcoming/ under construction)	Status (As on 30.06.2024)	Expected completion	States from which pipeline will pass
Jagdishpur-Haldia-Bokaro-Dhamra-Paradip-Barauni-Guwahati (JHBDPL)	GAIL	23	Authorised length -3,546 km, under construction – 405 km	3,141 km operational	December 2024	Uttar Pradesh, Bihar, Jharkhand, West Bengal, Odisha, Assam
Mallavaram - Bhopal Bhilwara - Vijaipur	GSPCs India Transco Ltd	78.25	Authorised length -1,811 km, under construction - 1,517 km	364 km operational.	NA	Andhra Pradesh, Telangana, Madhya Pradesh, Rajasthan
Mehsana-Bhatinda	GSPC India Gasnet Ltd	80.11	Authorised length – 1,940 km, under construction - 740 km	1,200 km operational.	December 2024	Gujarat, Rajasthan, Haryana, Punjab
Ennore-Tuticorin	IOCL	84.7	Authorised length -1,431 km, under construction -351 km	Operating length of 1,080 km	March 2025	Tamil Nadu, Karnataka, Andhra Pradesh, UT of Puducherry
Kakinada-Vijayawada-Nellore	IMC Ltd	18.00	Authorised length – 667 km	Under construction	Post fiscal 2025	Andhra Pradesh
North-East Natural Gas Pipeline Grid	Indradhanush Gas Grid Ltd	4.75	Authorised length - 1,656 km	Under construction	March 2025	North-eastern states
Kanai Chhata-Shrirampur	H-Energy Pvt Ltd	19.2	317	Under construction	Dec 2024	West Bengal
Srikakulam-Angul	GAIL	6.65	Authorised length -690 km	Under construction	Dec 2024	Andhra Pradesh, Odisha
Mumbai-Nagpur-Jharsuguda	GAIL	16.50	Authorised length - 1,755 km	Under construction	Oct 2024	Maharashtra, Madhya Pradesh, Chhattisgarh, Odisha

Source: PNGRB

Share of pipeline operators in natural gas pipeline in Fiscal 2024



Source: PPAC

Regulations for transmission tariffs: RoE-linked (historical)/ competitive bidding

Natural gas transmission tariffs are currently determined for 25 years through competitive bidding. 70% weightage is given to the tariff bid by parties and 30% to the bid volume flow within the pipeline. A weighted average score of the lowest tariff and the highest volume is then calculated to determine the winning bid. While lower tariff is usually preferred in the competitive bidding process, bidders also must cover their cost of capital and generate a minimum return on the capex of the project. The tariff is decided by the operators based on discounted cash flow with minimum internal rate of return ("**IRR**") considered and submitted as part of the bidding process.

Regulatory framework

According to Section 22 of the PNGRB Act, 2006, the board is entrusted with the responsibility of determining the natural gas pipeline tariff to be charged by the entities laying, building, operating, or expanding a natural gas pipeline. The methodology for determining natural gas pipeline transportation tariff has been specified in the relevant provisions of the PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations, 2008. Under the provisions of these regulations, the PNGRB is to determine the initial unit natural gas pipeline transportation tariff on a provisional basis (provisional tariff) and then finalise the same (final tariff) considering the actual cost and data at the end of the financial year based on audited accounts. A tariff review of the unit tariff (₹/mmBtu) is undertaken every consecutive year by the board. The first review starts five years after transporting the first unit.

Unified tariff policy for gas pipelines (viability and timeline)

The PNGRB, vide notification dated 28th June 2024, has notified unified tariff guidelines, which would be applicable from July 1, 2024. The regulator has emphasised that the amendments are aimed at improving natural gas accessibility in remote areas at competitive and affordable prices, to achieve the objective of one nation, one grid and one tariff.

Tariff zones for "unified tariff" means the following:

- First tariff zone for unified tariff of a length of 300km from the unified entry point on either side of the national gas grid system.
- Second tariff zone for unified tariff of a length of more than 300km and upto 1,200km on either side of the first tariff zone of national gas grid system, or
- Third tariff zone for unified tariff being the remaining length of the national gas grid system on either side of second tariff zone for unified tariff.

The unified tariff with-effect-from July 1, 2024 shall be ₹ 0.97/MMBTU (including additional GST implication of ₹0.31/MMBTU) on GCV basis having unified zonal tariffs w with-effect-from July 1, 2024 as follows:

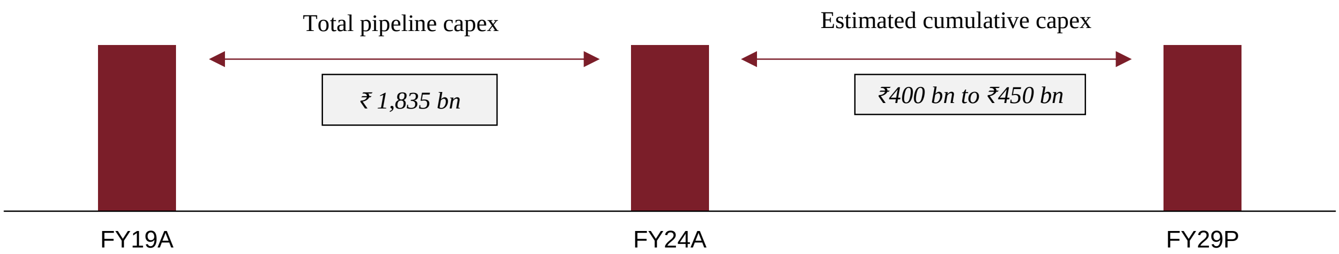
Unified Pipeline Tariff

Unified zone	Tariff (₹/ MMBTU on GCV basis) *
Zone 1	42.04
Zone 2	80.97
Zone 3	106.77

** Includes additional GST implication of ₹ 0.31/MMBTU on settlement amount between pipeline entities*
Source: PNGRB

Oil and gas pipeline infrastructure in India

Investments in India's pipeline infrastructure



Key drivers of oil and gas pipeline infrastructure

Rise in fuel consumption by rising vehicles

Fuel consumption in India is rising due to increase in vehicular activity and economic growth. In October 2024, petrol consumption increased by 8.3% year-on-year to 3,401 thousand metric tonnes ("**TMT**"). This is due to increased reliance on personal transportation. Diesel consumption in the same month increased by 0.08% to 7,640 TMT. However, on a month-on-month basis, diesel consumption increased by 19.9%. This is due to diesel's continued importance in sectors like freight and logistics. ATF consumption increased by 8.58% to 751 TMT due to the ongoing recovery in the aviation sector, while LPG consumption boosted by 7.46% to 2,820 TMT, signalling stable demand in Indian households for cooking fuel.

Rising middle-class income and a huge youth population will result are among the chief drivers of the strong demand for vehicles. In April 2024, the total production of passenger vehicles, three-wheelers, two-wheelers, and quadricycles was over 2.3 million units.

To keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The automobile sector received a cumulative equity FDI inflow of about US$ 35.65 billion between April 2000 to December 2023.

Increasing industrial activity

India's industrial production increased by 3.1% in September. While the Index of Industrial Production ("**IIP**") showed a 0.1% decline in August, it fades in comparison to the noticeable improvement from the IIP growth rate of 6.4% in September 2023.

There was a 3.9% year-on-year increase in manufacturing output, a 0.5% growth in electricity generation, and a 0.2% rise in mining activity in September. These sectors experienced growth rates of 5.1%, 9.9%, and 11.5% respectively, a year ago. In the April-September period, industrial output saw a 4% increase, compared to the revised 6.2% growth from the previous year.

Government incentives have fuelled industrial growth in India, with policies such as the National Manufacturing Policy and the Production-Linked Incentive ("**PLI**") scheme to support the manufacturing sector. The PLI scheme has led to a 69% increase in FDI in India's manufacturing sector over the past decade. The Economic Survey 2023 to 2024 reported that the industrial sector grew by 9.5%. The manufacturing sector had a gross value added of 14.3% in Fiscal 2023 and an output share of 35.2%.

According to the World Bank's India Development Update, the country's GDP is projected to grow at a robust 7% in Fiscal 2025, underscoring its position as the fastest-growing major economy in the world. This growth momentum has been consistent, with GDP rising from 7.0% in Fiscal 2023 to 8.2% in fiscal 2024. This outlook, in addition to the increasing industrial activity in India, is likely to boost the oil and gas sector in India.

Fertilizer Domestic production boost

Demand to increase, supported by new urea projects, under revival, conversion, and new expansions; utilization expected at over 90%. Natural Gas consumption in fertilizer sector in India is expected to grow at a CAGR of 1.5% between Fiscal 2024 to Fiscal 2030.

Growth in the fertilizer sector to be primarily driven by:

- GoI mandates plants to shift from liquid fuel to natural gas
- Increase in domestic urea manufacturing capacity will support high gas demand
- Urea demand will also be driven by increased agricultural activity.
- Subsidy on fuel cost and new urea investment policy
- GoI's commitment to grow the share of gas in energy mix to 15.0% in CY30 from 6.4% currently
- India imports a significant portion of LNG (86%) to meet the demand from the fertilizer sector.
- Phase-1 of Jagdishpur Haldia pipeline commissioned
- Connectivity established for Gorakhpur and Barauni plants

Surge in PLF of gas-based plants

During first quarter Fiscal 2025, gas-based plants clocked a capacity utilisation, or plant load factor ("**PLF"**), of 25.8% generating 13,338.23 million units ("**MU**") on a provisional basis, which is the second highest after first quarter Fiscal 2021. Gas-based power plants clocked a PLF of 28.7 per cent generating 5,053.41 MU of electricity in May 2024, which is the third highest on record after May 2020 and June 2020.

While the PLF of these plants dropped in July 2024, it did so after clocking multi-year highs during April to June. Monsoon rains during July brought down the power demand to some extent which also reflected in the lower requirement for cooling.

Consequently, India's natural gas consumption is also expected to rise in the current calendar year. The International Energy Agency ("**IEA**") revised upwards the growth rate in India's gas demand to 8.5 % from 7 % year-over-year in 2024. Similarly, the Gas Exporting Countries Forum ("**GCEF**") predicts usage to grow at 6 % year-over-year. Higher gas consumption for power generation is among the reasons fueling the growth.

Domestic production boost in petrochemicals

Expanding petrochemical intensity is the top priority for Indian refiners pursuing ambitious expansion strategies, government and refining officials said, as the sector is set to receive nearly $87 billion in investments over the next decade and account for more than 10% of global petrochemical sector growth. India's petrochemical capacity is projected to increase from about 29.62 million mt currently to 46 million mt by 2030. According to petroleum ministry and refinery officials, state-run Indian Oil Corp. aims to expand its petrochemical intensity index to 15% by 2030, from 6.1% currently. According to the Ministry of Petroleum and Natural Gas, the size of the Indian chemicals and petrochemicals sector is expected to grow to about $300 billion by 2025 from its current size of $220 billion. It could potentially reach $1 trillion by 2040.

The decision to boost investment in the sector comes as refiners proactively embrace petrochemical ventures as part of a broader strategy to adapt to changing market dynamics, enhance competitiveness and position themselves for sustained growth, especially if energy transition and electric vehicles reduce demand for transport fuels. Indian oil companies are expected to invest heavily in the refining sector to meet rising domestic oil demand. Over the next seven years, 1 million b/d of new refinery distillation capacity is expected to be added -- more than any country outside China.

India is rapidly upgrading investment policies to spur growth across manufacturing sectors to diversify away from service-oriented exports and compete in the global goods trade. Recent schemes, such as the production-linked incentive scheme across sectors including automobile, battery, renewable energy components and electronic components, are expected to propel growth in polymer demand. S&P analysts expect overall demand growth for key polyolefins -- polyethylene and polypropylene -- between 7.5 % and 8.5 % over the next 10 years, significantly outpacing gross domestic product growth expectations for the same period.

Surge in CNG & PNG connection with rising infra

The City Gas Distribution ("**CGD**") network is being expanded in India to make cleaner cooking and transportation fuels available to more people. The government's vision is to achieve a "one nation one gas grid" by 2030. The Petroleum and Natural Gas Regulatory Board ("**PNGRB**") has conducted multiple CGD bidding rounds to expand coverage to new districts. This network targets domestic, commercial & industrial, and transport sectors.

Until 2014, only 57 Geographical Areas were authorized for development of City Gas Distribution Network in the country. Since then, there has been immense growth in the CGD sector and with successful completion of 12th CGD Bidding Round, wherein 7 more GAs are being authorized, with the addition of 250 GAs with in the last 10 years, the entire country has been authorized for development of CGD network.

In a significant stride towards achieving 100% coverage of country's area for the development of City Gas Distribution ("**CGD**") network, the Petroleum and Natural Gas Regulatory Board ("**PNGRB**") hosted a Concluding Ceremony for the 12th CGD Bidding Round in March 2024. As of October 2024, there are 7,259 CNG stations and over 13.6 million domestic PNG connections in India.

Government Schemes Driving Demand

India has several government initiatives and policies aimed at promoting the development of oil and gas pipelines. These initiatives are designed to boost domestic energy security, increase gas accessibility, and create a robust energy infrastructure. Here's a list of key government schemes and policies driving oil and gas pipeline growth in India:

National Gas Grid

The National Gas Grid, also known as the "One Nation, One Gas Grid" project, is a plan to integrate India's regional power grids to provide natural gas to various stakeholders: the central government, state governments, the public, and the private sectors. The PNGRB has also implemented a Unified Tariff for interconnected natural gas pipelines. The tariff aims to simplify implementation and increase the number of unified tariff zones to protect the interests of consumers in different regions.

Key Projects:

- Expansion of gas pipelines by entities like GAIL, IOCL, and other private players.
- The aim is to connect gas sources to major demand centers, including industries, cities, and CNG stations.

North-East Gas Grid (NEGG)

The pipeline project includes construction of a natural gas pipeline grid that will branch into three directions: Guwahati to Imphal, Guwahati to Agartala, and Guwahati to Itanagar, India. The five companies signed a joint venture agreement for the project, which is expected to run for 1,656 km. The project is part of the Jagadishpur-Haldia-Bokaro-Dhamra Natural Gas Pipeline (JHBDPL) and will connect Guwahati to the major northeastern cities. In January 2020 the Indian government allocated Rs 5,559 crore (USD 745 million) for construction of the pipeline, only the second pipeline in India that has received government funds. The total estimated cost of the pipeline is ₹ 9,265 crore (USD 1.24 billion). As of August 2024, Indradhanush Gas Grid (a JV of IOCL, ONGC, GAIL, OIL and NRL) declared the completion of over 80% of the pipeline – with project completion targeted by 2026.

The grid would be connected with the upcoming Barauni-Guwahati natural gas pipeline as part of the Urja-Ganga Scheme. It would also connect to sustainable and viable indigenous gas sources in the North-East.

Hydrocarbon Vision 2030 for Northeast India

The Hydrocarbon Vision 2030 for Northeast India is a roadmap to increase oil and gas production in the region by 2030. The vision document was released by the Government of India in February 2016. It was created to: Develop the region as a hydrocarbon hub, increase access to clean fuels, improve availability of petroleum products, Facilitate economic development, and Link people to economic activities in the sector. The vision document is based on five pillars: People, Policy, Partnerships, Projects, and Production.

Bharat Mala Pariyojana and Sagarmala Program (Indirect Contribution)

Bharatmala Pariyojana is an umbrella programme launched under the Ministry of Road Transport and Highways. The first phase of Bharatmala was announced in 2017 and was to be completed by 2022, but it could not be completed due to slow implementation and financial constraints.

Bharatmala, Sagarmala, dry/land ports, and other infrastructure projects have been incorporated under PM Gati-Shakti Plan to enhance connectivity and logistics efficiency.

While Bharatmala project aims to improve road connectivity, enhancing freight and passenger movement, Sagarmala project focuses on modernizing ports and promoting coastal shipping to boost trade and maritime activities.

These infrastructure development initiatives indirectly support pipeline growth by enhancing port connectivity and creating multimodal transport networks, which reduce transportation costs for energy resources.

Unified Tariff Mechanism

The UFT is the weighted average of the approved zonal tariffs for all pipelines in the national gas grid. The tariff is calculated based on the quantity of gas to be transported and the approved tariff for each pipeline. The objective is to make gas transportation more affordable and uniform across India. UTM encourages investment in pipelines by ensuring fair pricing for pipeline usage irrespective of distance.

100% FDI in Oil and Gas Sector

India allows 100% foreign direct investment ("**FDI**") in certain segments of the oil and gas sector, including: petroleum products, natural gas, and refineries. In July 2021, the Department for Promotion of Industry and Internal Trade ("**DPIIT**") approved an order allowing 100% foreign direct investments ("**FDI**") under automatic route for oil and gas PSUs. The government allows 100% FDI in these sectors under the automatic route if the following conditions are met:

- The government has granted in-principle approval for strategic disinvestment of a public sector undertaking ("**PSU**")
- The PSU is approved for strategic disinvestment.

National Green Hydrogen Mission

The aim of the NGHM is to make India the Global Hub for production, usage and export of Green Hydrogen and its derivatives. This will contribute to India's aim to become *Aatmanirbhar* through clean energy and serve as an inspiration for the global Clean Energy Transition. The Mission is expected to lead to significant decarbonisation of the economy, reduced dependence on fossil fuel imports, and enable India to assume technology and market leadership in Green Hydrogen. The initial outlay for the Mission is ₹ 19,744 crore, including an outlay of ₹ 17,490 crore for the SIGHT programme, ₹ 1,466 crore for pilot projects, ₹ 400 crore for R&D, and ₹ 388 crore towards other Mission components. MNRE will formulate schemes guidelines for implementation of the respective components. According to the Ministry of New and Renewable Energy, the NGHM is targeted to focus on demand creation through four pillars:

- **Exports:** Mission will facilitate export opportunities through supportive policies and strategic partnerships.

- **Domestic Demand:** The Government of India will specify a minimum share of consumption of green hydrogen or its derivative products such as green ammonia, green methanol etc. by designated consumers as energy or feedstock. The year-wise trajectory of such minimum share of consumption will be decided by the Empowered Group ("**EG**").

- **Competitive Bidding:** Demand aggregation and procurement of green hydrogen and green ammonia through the competitive bidding route will be undertaken.

- **Certification framework:** MNRE will also develop a suitable regulatory framework for certification of Green Hydrogen and its derivatives as having been produced from RE sources.

Additionally, the Indian government has also launched a number of other schemes for the promotion of cleaner fuels in India. Some of these have been listed below, as mentioned on the Press Information Bureau website:

- Scheme for Development of Solar Parks and Ultra-mega Solar Power Projects with a target of setting up 40,000 MW capacity. Under the scheme, the infrastructure such as land, roads, power evacuation system water facilities are developed with all statutory clearances/approvals. Thus, the scheme helps expeditious development of utility-scale solar projects in the country.

- Central Public Sector Undertaking ("**CPSU**") Scheme Phase-II (Government Producer Scheme) for setting up grid-connected Solar Photovoltaic (PV) Power Projects by Government Producers, using domestically manufactured solar PV cells and modules, with Viability Gap Funding ("**VGF**") support, for self-use or use by Government/ Government entities, either directly or through Distribution Companies ("**DISCOMS**").

- Production Linked Incentive scheme 'National Programme on High Efficiency Solar PV Modules' for achieving manufacturing capacity of Giga Watt ("**GW**") scale in High Efficiency Solar PV modules (Tranche- I & II).

- PM-KUSUM Scheme to promote small Grid Connected Solar Energy Power Plants, stand-alone solar powered agricultural pumps and solarisation of existing grid connected agricultural pumps. The scheme is not only beneficial to the farmers but also States and DISCOMs. States will save on subsidy being provided for electricity to agriculture consumers and DISCOMs get cheaper solar power at tail end saving transmission and distribution losses.

- Rooftop Solar Programme Phase II for grid connected solar rooftop power plants. Under this Programme, subsidy is provided for residential sector and performance linked incentives to DISCOMs for achieving capacity addition in rooftop solar above baseline.

- Green Energy Corridors ("**GEC**"): to create intra-state transmission system for renewable energy projects. Central Financial Assistance ("**CFA**") is provided to set up transmission infrastructure for evacuation of Power from Renewable Energy projects in total ten States (considering both the phases of GEC).

    1. Intra-State Transmission System Green Energy Corridor Phase-I

    2. Intra-State Transmission System Green Energy Corridor Phase-II

- Bio-Energy Programme:

    1. Waste to Energy Programme : Programme on Energy from Urban, industrial and Agricultural Wastes/Residues

    2. Biomass Programme: Scheme to Support Manufacturing of Briquettes & Pellets and Promotion of Biomass (non-bagasse) based cogeneration in Industries.

3. Biogas Programme : for promotion of family type Biogas plants

- Renewable Energy Research and Technology Development (RE-RTD) Programme (Support Programme).

- Human Resource Development Scheme with components such as short-term trainings & skill development programmes, fellowships, internships, support to lab upgradation for RE and renewable energy chair.

Overview and Selection Criteria for EPC Players in the Middle East Oil and Gas Pipeline Segment

The Middle East is a key market for Engineering, Procurement, and Construction ("**EPC**") players in the oil and gas pipeline sector due to extensive reserves and high production levels. Key criteria for selecting EPC players include:

- **Technical Expertise and Experience**: EPC contractors with experience in large-scale pipeline projects and knowledge of Middle Eastern terrain and climate are highly favored.

- **Compliance and Safety Standards**: EPC companies are evaluated based on their adherence to international safety and environmental standards, particularly in regions sensitive to ecological impact.

- **Financial Stability**: Middle Eastern projects often require substantial investments. Financially stable companies with a track record of successful project execution are preferred.

- **Local Partnerships and Knowledge**: Companies with established relationships with local suppliers, regulatory bodies, and government stakeholders gain a competitive advantage.

- **Innovation and Technological Capabilities**: Use of advanced construction techniques and technology, such as automated welding, drone inspections, and digital project management tools, are critical for competitive EPC firms in the region.

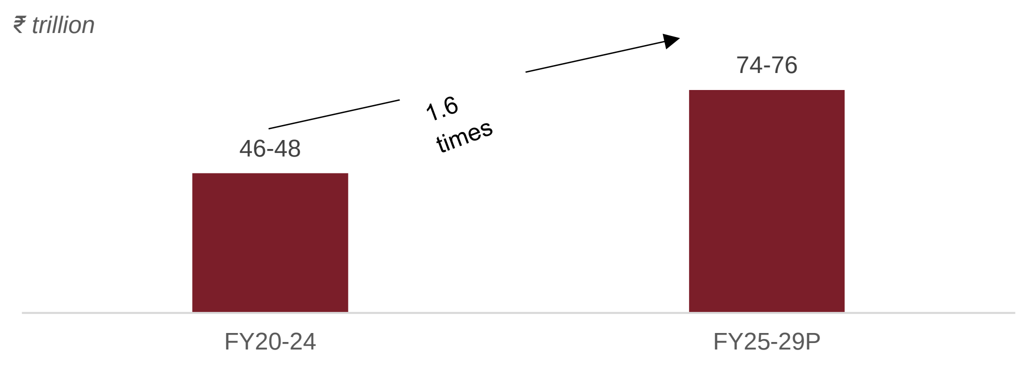
The Middle East's focus on pipeline infrastructure to export oil and gas and meet rising domestic demands in the Gulf Cooperation Council ("**GCC**") countries ensures a steady demand for experienced and reliable EPC players in the pipeline segment.

Overview of buildings and factories (Industrial) construction industry in India

The construction industry is one of the important sectors in India as it supports multiple upstream and downstream industries. Moreover, it has strong linkages with the overall economy and has an economic multiplier effect. The industry accounts for approximately 9% of India's gross domestic product ("**GDP**") in constant prices as of Fiscal 2024. Industry also provides huge employment opportunity because of its constant requirement for skilled and unskilled laborers. In addition, growth in the construction sector would in turn aid sectors such as steel and cement, which are key raw materials.

During Fiscal 2020 to Fiscal 2024 the investments in the construction industry stand at ₹ 46 trillion to ₹ 48 trillion and is expected to grow by 1.6 times, reaching ₹ 74 trillion to ₹ 76 trillion during Fiscal 2025 to Fiscal 2029.

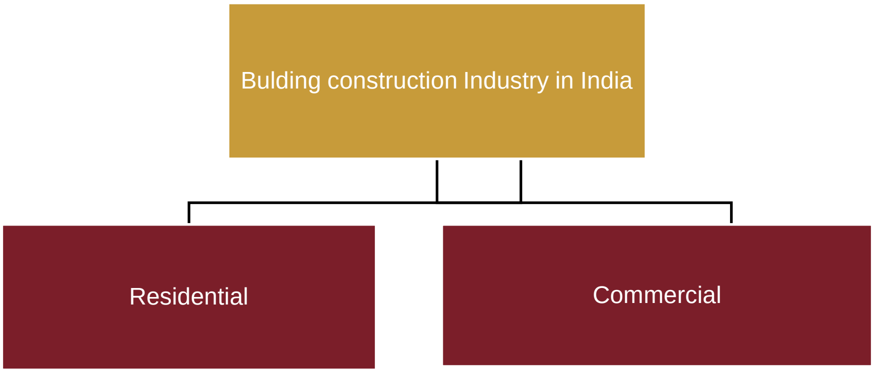
Investments in construction industry in India



Overview of building construction industry

Building construction includes constructing buildings for residential uses such as houses, residential towers as well as institutional and healthcare buildings such as hospitals and educational institutions and those for commercial use such as offices, retail malls.

Overview of India's building construction industry in India

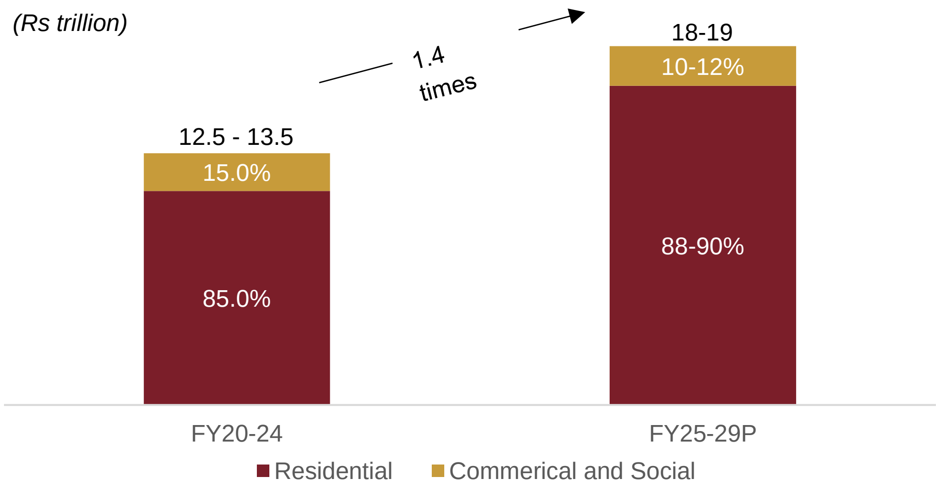


Building construction investments to increase approximately1.4 times in next five years

The real estate industry has been in focus with various developments such as demonetisation, enactment of the Real Estate (Regulation and Development) Act ("**RERA**"), 2016, and implementation of the Goods and Services Tax ("**GST**"). The Covid-19 pandemic further significantly impacted the sector in Fiscal 2021. Although Fiscal 2022 had challenges due to the second wave of Covid-19 pandemic, the ease of curbs in various states, increase in vaccination across the country and deferred project completions from Fiscal 2021 helped the sector to rise in Fiscal 2022, returning to pre-Covid levels and creating high base for Fiscal 2023. The increase in budgetary allocations for the Pradhan Mantri Awas Yojana ("**PMAY**") scheme and announcements by state governments of stamp duty cuts has helped the further sector limp back to pre-Covid levels.

Between Fiscal 2025 and Fiscal 2029, the building construction sector is expected to see investments of ₹ 18 trillion to ₹ 19 trillion from an investment of ₹ 12.5 trillion to ₹13.5 trillion between Fiscals 2020 and Fiscal 2024 thereby rising 1.4 times.

Share of commercial and residential buildings



Note: P- projected
Source: CRISIL MI&A

Residential segment forms majority of the share in the building construction capex

The residential segment forms the largest vertical within building construction, occupying 85% as of Fiscal 2020 to Fiscal 2024. The real estate industry has been facing changes and challenges with developments such as demonetisation, enactment of the Real Estate (Regulation and Development) Act, 2016 ("**RERA**"), and implementation of the Goods and Services Tax ("**GST**"). The pandemic further significantly impacted the sector in Fiscal 2021. Although fiscal 2022, had challenges due to second wave of coronavirus, the ease of curbs in various states, increase in vaccination across the country, and deferred project completions from Fiscal 2021 helped the sector to rise nearly 95% to105% in Fiscal 2022, returning to pre-Covid levels and creating high base for Fiscal 2023. The increase in budgetary allocations for the PMAY scheme and announcements by state government of stamp duty cuts aided the sector to reach pre-Covid levels.

Commercial and social segments account for approximately 15% of building construction capex

The commercial and social verticals include educational institutions, commercial real estates and healthcare facilities. It contributed 15% of the total construction investments in the building sector between Fiscal 2020 to Fiscal 2024 and is expected to further decrease to 10% to 12% between Fiscal 2025 to Fiscal 2029.

Key growth drivers for building construction segment

Increasing population, urbanisation and nuclearisation, drive housing demand

As per Census 2011, India's total population was about 1.2 billion and comprised nearly 246 million households. The population grew by nearly 18% during 2001 to 2011 and is expected to have grown by approximately 11 per cent during 2011 to 2021 to reach 1.4 billion. With the increase in the number of households, housing demand is estimated to grow in line with population.

Also, urbanisation is also one of the key drivers for housing demand in the country. Urbanisation provides an impetus to housing demand in urban areas as migrants from rural areas require dwelling units. The share of urban population in total population has been consistently rising over the years and stood at about 31 per cent in 2011. This trend in urbanisation has pushed the demand for houses in urban areas.

Along with this, nuclearisation which refers to formation of multiple single families out of one large joint family; each of these families live in separate houses while the ancestral house may be retained or partitioned to buy new houses. Nuclearisation in urban areas is primarily driven by changing lifestyle of people, individualism, changing social/cultural attitudes and increased mobility of labour in search of better employment opportunities. These trends are expected to continue in future, which will in turn aid the demand for housing in these regions.

Affordable housing expected to be the key driver in the residential segment

The building construction sector had been battling with weak demand for the past couple of years, and one of the key reasons was unaffordability, as developers focused on middle and premium income-category projects. However, government initiatives have prompted developers to explore affordable housing as a new area. Additionally, the formalisation of the industry is expected to bring in more transparency, leading to an increase in consumer demand.

Steady improvement in leasing activity driven by optimistic market sentiments to aid commercial segment in building construction

Many companies in commercial building construction segment are actively reassessing their space utilization and expansion strategies, with tenants still assessing the hybrid working models to enhance the efficiency of their office spaces. Sectors like BFSI, IT and manufacturing have been key drivers of leasing activity in the country in recent years. Going ahead with work from office being reinstated in some of the key corporates, the commercial building segment is expected to benefit with more capacity addition which will in turn aid the segment.

Rise in social infrastructure to aid growth in building construction segment

Investing in social infrastructure is essential for fostering inclusive growth and generating employment opportunities in the country. It involves establishing and sustaining facilities and services that enhance the welfare, health, and overall quality of life for citizens. This encompasses investments in various sectors such as education and healthcare and community spaces among others. Further, the rise in expenditure on social services underscores the government's dedication to promoting societal well-being.

In the 2019 to 2020 interim Budget, the Government articulated a vision that underscored the importance of strengthening social infrastructure, fostering a healthy society, ensuring the well-being of women and children, and prioritizing citizen safety. This growth in government support has also contributed to the increased development of infrastructure construction within this sector.

Overview of Industrial construction industry

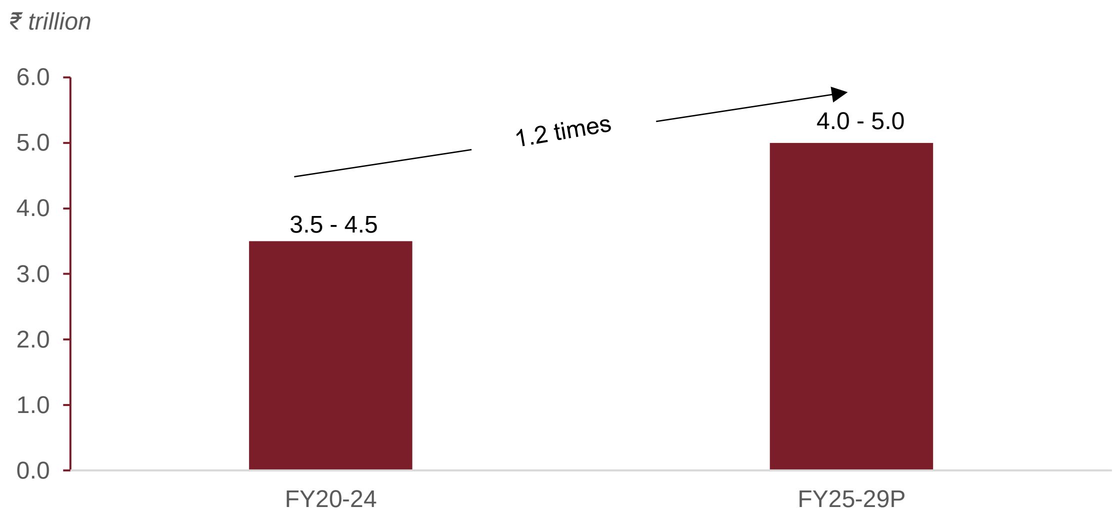
Industrial/manufacturing construction includes construction of manufacturing plants, factories, power plants, and other highly specialised facilities. Investments in the industrial segments stem mainly from capex activities undertaken by companies in the respective sectors which could be in the form of greenfield projects or brownfield/capacity addition.

Industrial investment between Fiscals 2025 and Fiscal 2029 are expected to rise by 1.2 times over the previous five years (Fiscal 2020 to Fiscal 2024)

Investments in industrial construction have seen growth in Fiscal 2024, on a high base on account of deferred investments from Fiscal 2021 to Fiscal 2022 and capex investments from PLI scheme picking up. The PLI scheme is a time bound incentive scheme by the Government of India which rewards companies in the range on 5% to 15% of their annual revenues based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year.

Based on an analysis of eight key sectors (automobiles, metals, textiles, paper, fertilisers, petrochemicals, oil and gas and cement) construction investment in the industrial sector is expected to reach ₹ 4.0 trillion to ₹ 5.0 trillion between Fiscal 2025 to Fiscal 2029, compared to ₹ 3.0 trillion to ₹ 4.0 trillion in Fiscal 2020 to Fiscal 2024. The rise in investment is projected due to inclusion of the PLI scheme in the capex investments of the industrial sector. While the PLI scheme covers 13 sectors, CRISIL MI&A has only considered 3 capex-intensive sectors which include auto and auto components, textiles and specialty steel. Overall, industrial construction investments between Fiscal 2025 to Fiscal 2029 is expected to grow by 1.2 times of the investments over Fiscal 2020 to Fiscal 2024.

Industrial construction investment in India



Note: Industrials include Automobiles, Metals, Oil and Gas, Cement and Others
P-Projected
Source: CRISIL MI&A

Key growth drivers for industrial segment

Technology upgradation in auto sector and capacity additions in the metals to propel investment in the industrial segment

Within the industrial sector, the oil and gas sector occupies a major share of investments. The other major contributors of the overall industrial construction spend include automobiles and metals.

Upgradation of technologies and introduction of corporate average fuel efficiency norms and shift towards ACES - Autonomous, Connected, Electric, Shared architecture is expected to drive investments in the automobile space.

In the metals segment, the upcoming investments are expected to be in the brownfield expansions. Larger players have been undertaking inorganic growth because of stressed assets in the sector. Anticipating strong demand growth, India's steel industry had added approximately 26 million tonne ("**MT**") of incremental capacity in the past 5 years. However, many big-ticket projects got delayed. CRISIL MI&A expects 35 MT to 40 MT of capacity addition in the medium term, primarily through the brownfield route with AM/NS the major player undertaking greenfield expansion.

PLI scheme to boost industrial investments

The PLI scheme is a time bound incentive scheme by the Government of India which rewards companies in the range on 5-15% of their annual revenues based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year.

The PLI scheme brought by the Government will provide a fillip to the Industrial sector. Some of the major sectors covered under PLI viz. Auto and auto components, textiles and specialty steel are together expected to catalyse investments in the Industrial segment in the medium term.

India's focus on becoming a global manufacturing hub

India's push to become a global manufacturing hub is expected to aid growth in industrial construction through initiatives like Make in India, PLI schemes, and the development of industrial corridors and SEZs. Liberalisation of FDI policies over the years is also boosting demand for manufacturing plants. Going ahead, the integration of Industry 4.0 technologies and a focus on sustainable manufacturing is estimated to drive additional investments into the sector. Additionally, rising demand for export coupled with logistics infrastructure is expected to drive the construction activity.

Overview of data center industry in India

Modern data centres have evolved from their traditional physical infrastructure approach. Infrastructure has shifted from traditional on-premises physical servers to virtual networks that support applications and workloads across pools of physical infrastructure and into a multi cloud environment. Today, data is connected across multiple data centres, and public and private clouds.

Growing Indian data centre industry expected to aid construction industry

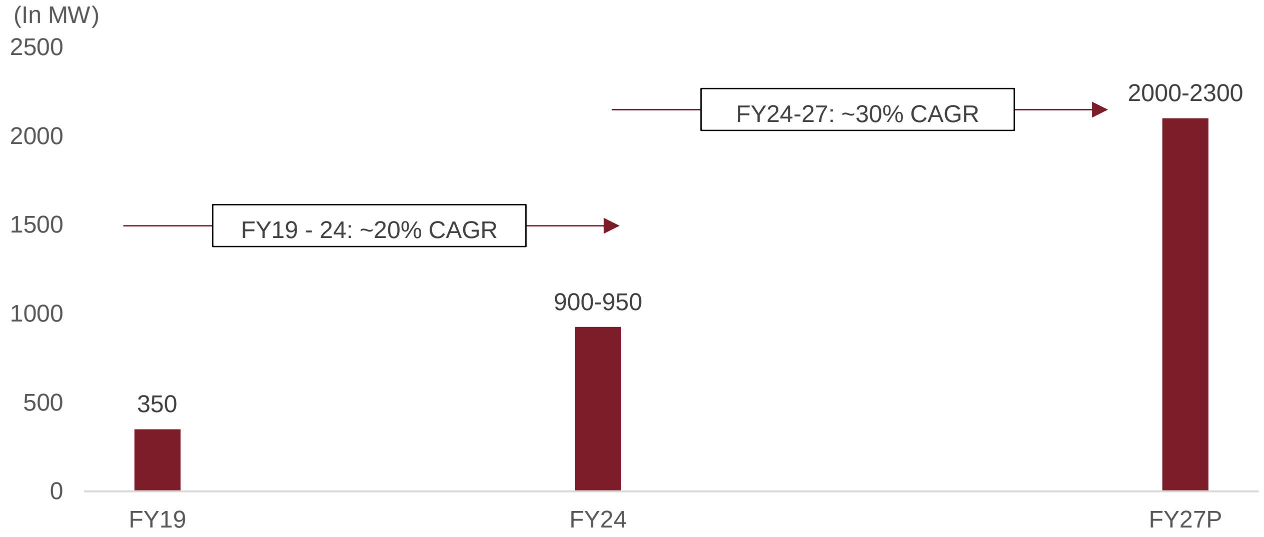
From Fiscal 2019 to Fiscal 2024, the Indian data centre industry has seen a growth at CAGR of approximately 20% in terms of capacity. This growth can be attributed to factors such as growth in internet accessibility, surge in e-commerce adoption, rise in digital adoption, remote working, rise in over-the-top ("**OTT**") consumption.

Going forward, the industry is expected to witness a CAGR of approximately 30% between Fiscal 2024 and Fiscal 2027. The growth is enabled by increasing consumption of data, 5G rollouts across India as well as advancement in technologies such as IoT, Big data, Artificial intelligence and Machine Learning. Government initiatives, including the data protection bill 2023, draft data centre policy, and infrastructure status for data centres, will also provide a boost to the industry.

Driven by this growth in capacity, the data centre is expected to see investment of ₹ 550 billion to ₹ 650 billion between Fiscal 2025 to Fiscal 2027.

This growth of the data center industry, driven by the increasing demand for cloud computing, big data, and IoT, would aid in surge of construction projects, with new facilities being built to accommodate the expanding need for data storage and processing. As a result, the construction industry is expected to boost, with data center construction becoming one of the key growth drivers.

Data centre industry in India (installed capacity)



Note: P: Projected,
"Capacity" refers to the data centre load that is consumed or is dedicated to IT equipment such as servers, storage equipment, communications switches, routers. Power for lighting or cooling the data centre is excluded from IT power. Further, the capacity mentioned in the above chart pertains to third party data centre only.
Source: Industry, company reports, CRISIL MI&A

Key growth drivers for data centre industry

Adoption of new technology-based solutions

Firms are consistently incorporating modern technologies into their operations to meet the growing need for IT and related services. As enterprises embrace digital transformation, the infusion of advanced tools like AI, IoT, Big Data analysis, and Machine Learning into their processes requires robust and scalable IT systems, leading to a surge in data centre demand. Moreover, the adoption of technologies like 5G accentuates the importance of low latency and swift data access, further driving the requirement for more data centres as well as cloud services.

Rise in internet penetration

With the drastic fall of internet prices coupled with improved infrastructure internet penetration in India has increased from less than 20% in Fiscal 2015 to approximately 68% in Fiscal 2024 which is expected to reach 71% by Fiscal 2025. This coupled with data localisation proposed under Digital Personal Data Protection Bill (2023) would aid the growth of data centres and cloud services in India.

Business transformation

As companies across sectors race to modernise their operations, adopt digital technologies, and harness the potential of cloud computing the need to accommodate vast amounts of data, ensure seamless connectivity, and facilitate advanced analytics also increase. This in turn creates a demand for robust, scalable, and efficient data centre infrastructure thus aiding the industry growth.

Rise in e-commerce industry to support data centre industry growth

The rapid growth of the e-commerce industry in India is set to boost the data center industry. With increasing online transactions, customer data, and supply chain management needs, e-commerce platforms require scalable data storage and processing capabilities. The surge in demand for real-time analytics, personalization, and seamless user experiences will drive investments in data center infrastructure. Furthermore, initiatives like Digital India and improved internet penetration in Tier 2 and Tier 3 cities amplify the need for localised data centers.

Surging AI workloads to drive data center industry growth

The growth of AI workloads is expected to drive investments in data center industry in India. As industries increasingly try leverage AI technologies like machine learning, natural language processing, and generative AI, the demand for high-performance computing infrastructure is needed. These workloads require specialized hardware such as GPUs, and advanced cooling systems, prompting data centers to invest heavily in infrastructure upgrades. Additionally, AI applications in fields like healthcare, finance, e-commerce, and autonomous technologies would generate volumes of data, necessitating efficient data storage and processing capabilities.

List of projects in building construction and industrial construction verticals

Below is the list of key projects in select sectors. It is to be noted that the below list is not exhaustive but indicative in nature and does not contain all the projects announced in the segments mentioned.

List of projects in building construction and industrial construction verticals

Segments	Key announced / on-going projects	Project cost (₹ trillion)	Promoter
Industrial	Steel Plant (Maharashtra)	400.00	ArcelorMittal Nippon Steel India Ltd.
	Petrochemical Complex (Mangalore)	470.00	Mangalore Refinery & Petrochemicals Ltd.
	Oil Exploration (Kheda, Gandhinagar, Mehsana & Ahmedabad) Project	37.70	Oil & Natural Gas Corporation Ltd.
	LPG Bottling Plant (Madanpur Khadar)	7.32	Indian Oil Corporation Ltd.
Buildings construction	Cancer Hospital (Jatni) Project	6.50	Tata Group
	Residential Complex (Sion Koliwada) - Redevelopment	30.00	Maharashtra Housing & Area Development Authority
	Industrial Park (Bhondsi-Ghamroj-Mahendwara)	42.39	Signature global Business Park Pvt. Ltd.
	Residential Complex (Sarojini Nagar) - Redevelopment	116.60	NBCC (India) Ltd.
Data centers	Data Centre (Bengaluru) Project	1.2	NTT Global Data Centers & Cloud Infrastructure India Pvt. Ltd.
	Data Centre & Technology Park (Madhurawada & Kapulauppada)	2.2	Vizag Tech Park Ltd.
	Data Center (Chandivali) [MB3 IBX] [Phase-I]	0.7	Equinix India Pvt. Ltd.
	Data Centre (Mumbai)	5.1	NTT Global Data Centers & Cloud Infrastructure India Pvt. Ltd.

Source: Projects Today, CRISIL MI&A

Overview of key policies and schemes

Key policies and schemes in building construction, industrial construction, and data centers

	Policy/Scheme name	Details
Building construction	Pradhan Mantri Aawas Yojna	Pradhan Mantri Awas Yojana (Urban) Mission launched on 25th June 2015 which intends to provide housing for all in urban areas. The Mission provides Central Assistance to the implementing agencies through States/Union Territories (UTs) and Central Nodal Agencies (CNAs) for providing houses to all eligible families/ beneficiaries against the validated demand for houses for about 11.2 million. As per PMAY(U) guidelines, the size of a house for Economically Weaker Section (EWS) could be up to 30 sq. mt. carpet area, however States/UTs have the flexibility to enhance the size of houses in consultation and approval of the Ministry.
	Affordable Rental Housing Complexes	Ministry of Housing & Urban Affairs has initiated Affordable Rental Housing Complexes (ARHCs), a sub-scheme under Pradhan Mantri Awas Yojana - Urban (PMAY-U). This will provide ease of living to urban migrants/ poor in Industrial Sector as well as in non-formal urban economy to get access to dignified affordable rental housing close to their workplace.
Industrial construction	Production linked incentive (PLI) scheme	PLI scheme is expected to provide the necessary boost to the various sectors which include auto and auto components, textiles, bulk drugs, medical devices, pharmaceuticals and specialty steel among others. The scheme is a time bound incentive scheme by the Government of India which rewards companies with 5-15%

	Policy/Scheme name	Details
		of their annual revenues based on the company's meeting pre-decided targets for incremental production and/or exports and capex over a base year. Investments in the industrial sector are expected to rise by 1.2 times from fiscal 2020-24 to fiscal 2025-29. The rise in investments is projected due to inclusion of PLI scheme in the capex investments of industrial sector among others.
	Industrial Corridor Development Programme	In order to accelerate growth in manufacturing, Government of India (GoI) has adopted the strategy of developing Industrial Corridors in partnership with State Governments. The objective of this programme is to develop Greenfield Industrial regions/areas/nodes with sustainable infrastructure & make available Plug and Play Infrastructure at the plot level. As part of National Industrial Corridor Program, 11 Industrial Corridors are being developed in 4 phases.
Data centers	Government initiatives	Recognising the importance of data centres in driving the growth towards digital economy, the Indian government has brought in several measures to aid the establishment and expansion of data centres across the country. Key measures such as • Inclusion of data centres into harmonised list of infrastructure to aid the industry in availing long-term credit from domestic and international lenders at concessional rates and help in boosting the investments in the industry • Introducing Digital Personal Data Protection Bill (2023) under which personal data collected online or collected offline and digitalised should be processed within India was major focus among others • Introduction of draft Data Centre Policy (2020), with focus on various aspects such as declaration of data centres as essential services, recognition of data centres as separate category under National Building Code and setting up of data centre economic zones • Promotion of digital India campaign focusing on improving digital penetration, e-governance and digital manufacturing in the country

Source: CRISIL MI&A

Overview of key urban infra construction industries

Urban infrastructure includes construction-intensive segments like roads and highways, Metro rail, airport infrastructure etc. These segments are critical to support overall urban infrastructure and ensure efficient movement of the inhabitants across different areas in urban regions.

Overview of roads and highways

India has the second-largest road network in the world, spanning 6.35 million km. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns and villages in the country.

Road network in India

Road network	*Length ('000km)*	*Connectivity to*
National highways	*146.1 (as of Fiscal 2024)*	*Union capital, state capitals, major ports, foreign highways*
State highways	*179.5**	*Major centers within the states, national highways*
Other roads	*6,019.7**	*Major and other district roads, rural roads- production centers, markets, highways, railway stations*

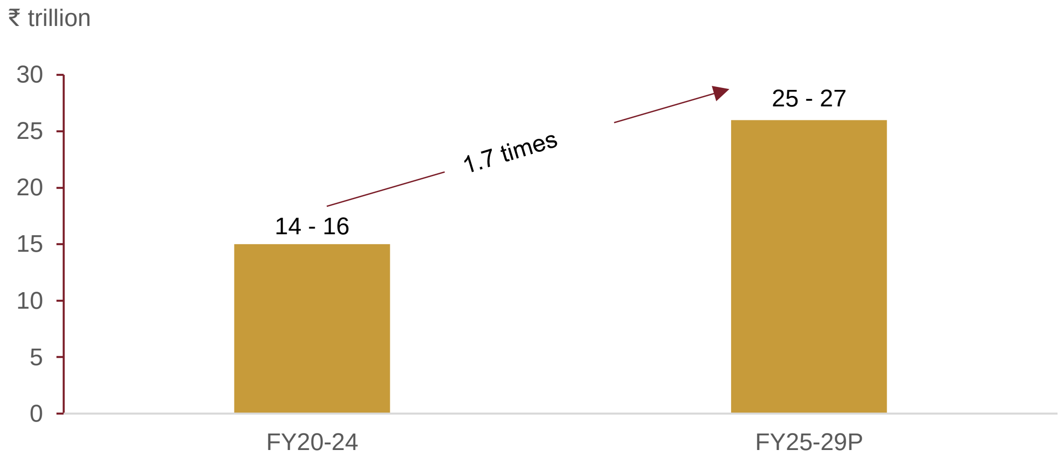
**Road Transport Year Book 2019 to 2020. This includes roads constructed under Jawahar Rozgar Yojana*
Source: MoRTH Annual Report 2023 to 2024, CRISIL MI&A

Investments in road infrastructure to rise 1.7 times during Fiscal 2025 to Fiscal 2029 when compared Fiscal 2020 to Fiscal 2024

During Fiscal 2020 to Fiscal 2024, the segment has attracted a total investment of ₹ 14 billion to ₹ 16 trillion. Bharatmala project and increased state spending supported these investments despite brief hiccups, such as the pandemic and hampered construction due to elongated monsoons. Further, these investments in roads and highways are forecasted to nearly double over Fiscal 2025 to Fiscal 2029 compared to Fiscal 2020 to Fiscal 2024, reaching a total of ₹ 25 trillion to ₹ 27 trillion. Steady execution of national highway and high-value expressway projects will drive these investments.

The demand for road construction is primarily driven by rapid urbanisation, improvements for existing road network and increased vehicular traffic. Government initiatives like Bharatmala Pariyojana aim to enhance connectivity and boost economic development through extensive road development. The rise in e-commerce and industrial sectors necessitates better logistics and transportation infrastructure. Further, development in rural regions is also pushing for improved road connectivity in order to get better access to markets, healthcare and education among others.

Investments in Indian roads segment



Source: CRISIL MI&A

Overview of metro infrastructure

India's rapid urbanisation and population growth has created significant challenges, including traffic congestion and environmental pollution. However, the metro rail system has emerged as a reliable and sustainable transportation solution, providing efficient and eco-friendly travel options for urban residents.

Before 2014, 248 km of Metro Rail was operational in 5 cities. In the last 10 years, 697 km have been added to Metro Rail Network across the country. As of fiscal 2024, about 945 km of Metro Rail System is operational in 21 cities namely Delhi and 7 NCR cities, Bangalore, Hyderabad, Kolkata, Chennai, Jaipur, Kochi, Lucknow, Kanpur, Mumbai, Ahmedabad, Nagpur, Agra and Pune.

Metro projects to see construction investments of ₹ 1.0 trillion to ₹ 1.1 trillion between Fiscal 2025 to Fiscal 2029

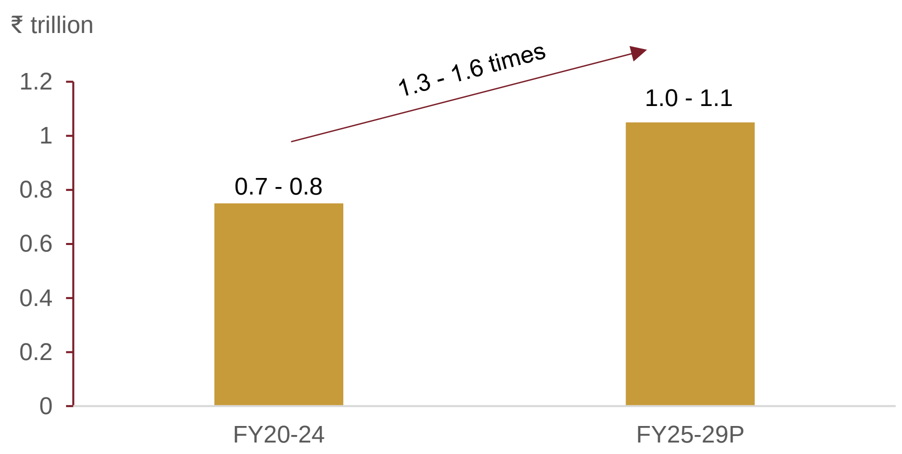
CRISIL MI&A estimates that construction spends on metro projects in India will increase 1.3 to 1.6 times from ₹ 0.7 trillion to ₹ 0.8 trillion during Fiscal 2020 to Fiscal 2024 to ₹1.0 trillion to ₹ 1.1 trillion over Fiscal 2025 to Fiscal 2029. Bulk of the metro projects are under construction and have achieved financial closure, with the lockdown and migration of labour the only impediments that drove investments lower in Fiscal 2021, while deferral of investments led to revival in Fiscal 2022 with the momentum continuing during next two Fiscals.

Going ahead, new project announcements, as well as completion of under construction projects, by state governments to aid growth in the sector. In addition, a new metro rail policy was announced during the Union Budget (2018) to develop private interest in the segment.

To increase the viability of metro projects and make them available across cities with lesser populations, Government of India has announced Metro-Neo and Metro-Lite.

Metro-Lite and Metro-Neo are the low-cost mobility solutions with reduced system requirements and same experience, ease of travel as that of conventional metro rail system. The lower capital cost of these new transit modes than that of high-capacity metro rail is due to light civil structure, lesser axle load, smaller stations, low power rated electrical equipment, low operation and maintenance cost among others. These are suited for cities with lower population densities.

Construction investments in Indian metro sector



Source: CRISIL MI&A

Metro network to double in coming years

India's metro network is set to expand to 1,914 kms in the coming years with 969 Kms of under construction network in approximately 26 cities. As of Fiscal 2024, India had 945 Kms of operational metro network.

Overview of metro network in India

Note: data for metro network mentioned in the above graph as of August 2024
Source: PIB, CRISIL MI&A

Overview of airport infrastructure

Airport infrastructure and airline fleet size are critical for a country's aviation industry. With the increased number of passenger growth in recent years, it is essential to have a supporting infrastructure and capacity in terms of airports and allied services. In India, the number of operational airports almost doubled over the past eight years. The growth is a result of the government's push to enhance airport and aviation infrastructure. As of June 2024, India has 137 operational airports compared with 102 airports in Fiscal 2019 and 77 airports in Fiscal 2016. This expansion has enhanced connectivity across the country, making air travel more accessible to a larger population.

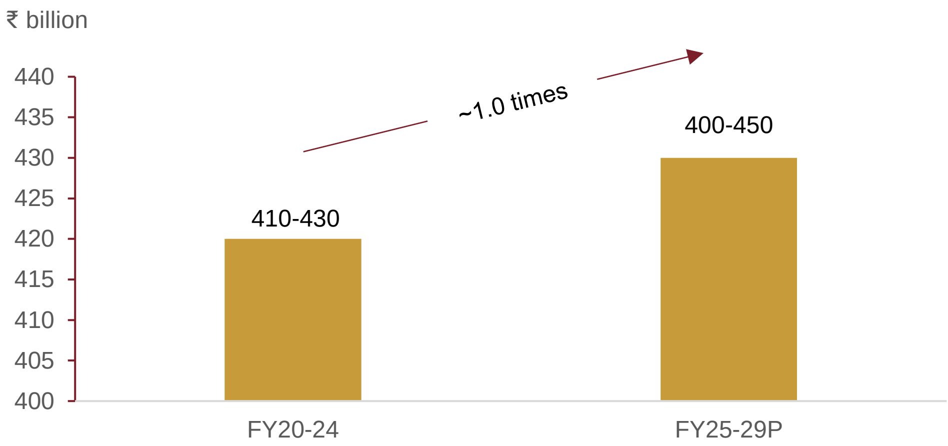
Privatisation and greenfield airports to propel construction investments in airports to ₹ 420 billion to ₹ 440 billion in the next five years

Airport infrastructure in India has seen increased focus in recent years. The expansion of airports, including the upgradation of infrastructure / facilities at airports, is a continuous process, which is undertaken by the AAI or the airport operators concerned, depending on the operational requirements, traffic, demand, and commercial feasibility.

In the past few years, capex on airport infrastructure was supported by the government policies, with the development of greenfield and brownfield airports by the government of India. The government has also formulated a Greenfield Airports (“**GFA**”) Policy, 2008, for the development of greenfield airports in the country. Under this policy, the government of India has accorded an approval for setting up of 21 new greenfield airports. Of these, 12 greenfield airports have been operationalised.

CRISIL MI&A expects investments of ₹ 400 to ₹ 450 billion in construction investments between Fiscal 2025 and Fiscal 2029, compared with an investment of ₹ 410 to ₹ 430 billion between Fiscals 2020 and Fiscal 2024.

Construction investments in airports



Source: CRISIL MI&A

Key growth drivers for urban infra industry in India

Policy and government initiatives to provide boost to the Indian roads segment

New initiatives have been taken by the government to build state roads. Road Requirement Plan (“**RRP**”) for left wing extremism-affected areas and Special Accelerated Road Development Programme for North-Eastern Region (SARDP- NE) are two ongoing projects covering state roads. MoRTH has set up National Highways and Infrastructure Development Corporation Ltd (NHIDCL), an organization that will award national highway projects specifically in border areas and north-east states. Apart from these projects, the Bharat Mala programme has been proposed to build new roads along the border.

Also, under the national monetization pipeline announced in the Union Budget 2021-2022, NHAI has sponsored infrastructure investment trust (“**InvIT**”) that will attract international and domestic institutional investors. NHAI launched its InvIT in Fiscal 2022. As of fiscal 2024, the InvIT holds a diversified portfolio of fifteen (15) operating toll roads with an aggregate length of about 1,525 km spread across the nine states of Assam, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Telangana, Uttar Pradesh and West Bengal, with concession periods ranging between 20 years to 30 years.

Expansion in tier-2, tier-3 cities and government support to drive investments in the metro segment

While metros have predominantly been introduced in tier-I cities like Delhi, Mumbai, and Bangalore, there is growing demand for metro services in tier-II and Tier-III cities. Cities like Lucknow, Kochi, and Nagpur have already inaugurated metro lines and several others, such as Kanpur, Indore, and Bhopal, are in various stages of planning and construction. This shift is driven by the need for modern transportation solutions in smaller cities that are now experiencing rapid growth.

The Indian government has made urban transportation a priority, particularly under its Smart Cities Mission and the National Urban Transport Policy (“**NUTP**”). The Metro Rail Policy (2017) provides a framework for the expansion of metro networks and emphasizes innovative financing models like public-private partnerships (PPP). Schemes like Make in India encourage local manufacturing of metro components, reducing costs and promoting self-reliance.

Rising passenger and freight demand to provide impetus for investments in airport infrastructure

CRISIL MI&A projects passenger traffic to record a 7% to 10% on-year rise in Fiscal 2025 reaching 405 million to 415 million aided by strong demand across travel segments viz. leisure, VFR, corporate and MICE coupled with increased capacity deployment by airlines expanding network aided by new aircraft deliveries and capacity expansion at major airports such as Delhi, Bangalore, Hyderabad, Chennai.

Going ahead, the passenger traffic is expected to reach 580 million to 630 million by Fiscal 2030 as Indian aviation gets back to pre-pandemic double-digit growth rates, led by low travel density per capita, shift from rail travel to air travel, and increasing air connectivity. Further, domestic freight traffic is also expected to rise driven primarily by the rapid growth of e-commerce activities, which are fueled by the convenience and accessibility of online shopping. Additionally, the dedicated freight operations by Indian carriers and the expansion of fleets by Indian low-cost carriers are also contributing to this growth in domestic freight traffic. The rising passenger and freight traffic is expected to entail investment in airport infrastructure to cater to the incremental demand.

Aging infrastructure to aid investments in road sector

Aging infrastructure is poised to be a significant growth driver for the roads sector in India. Many of India's road networks, developed decades ago, are now struggling to accommodate the country's rapid urbanization and rising vehicle population. Bridges, highways, and arterial roads require repair, or reconstruction to improve their efficiency. This creates opportunities for large-scale investments in rehabilitation and upgradation projects under government initiatives like Bharatmala Pariyojana. The need to replace or refurbish aging infrastructure also aligns with India's push towards resilient transportation networks.

Overview of elevated roads and bridges industry in India

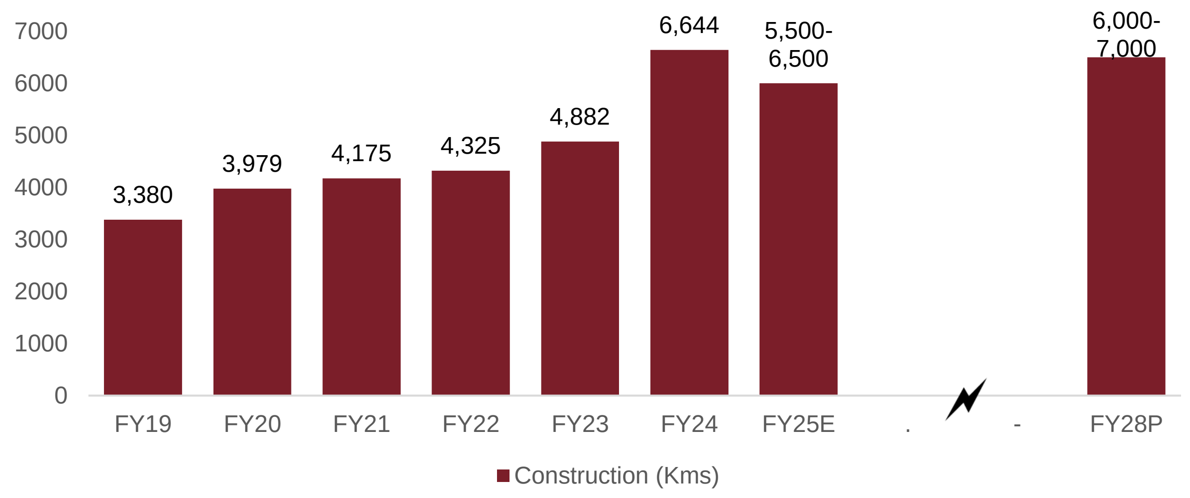
With the government increasing the target for investments in national highways over the next five years, construction of bridges and elevated roads is also expected to rise substantially supported by road capex, safety and traffic regulation concerns for village / town intersection, and robust connectivity between national highways.

Bridges and elevated roads require more per km spending as compared to non-elevated road

Bridges and elevated roads contribute to nearly 4% to 5% of national highway construction in terms of Kms but contributes to 10% to 15% in terms of construction spends.

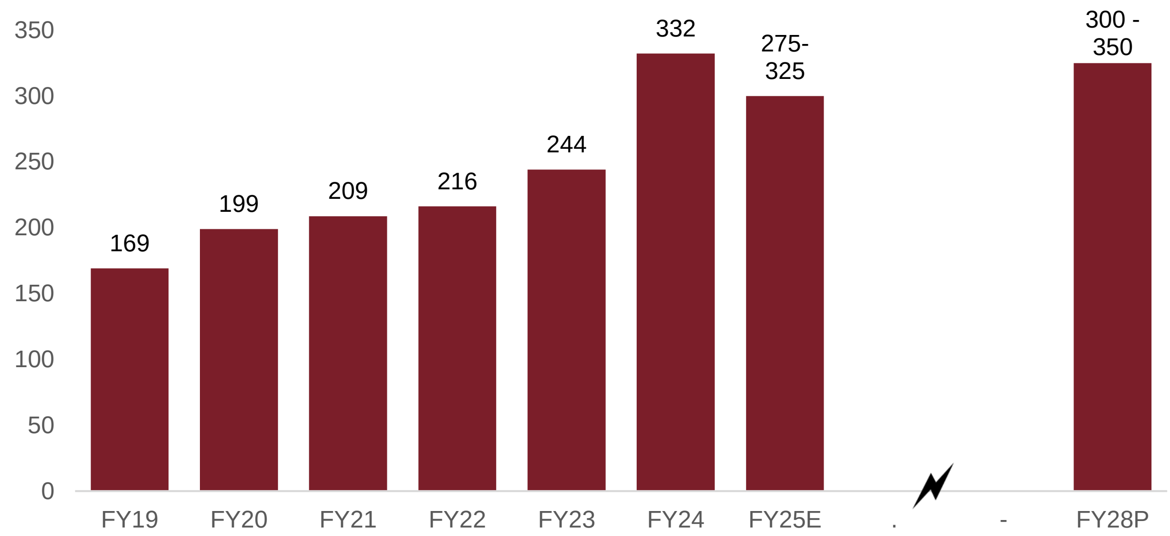
Based on primary sourcing from some major EPC road construction players and technical consultants CRISIL MI&A estimates that for every 50 Km of 4 lane highway stretch average 4%to 5% a major bridge of 2 Kms to 3 Kms length is constructed.

National Highway Road construction (Kms)



Note: E-Estimated, P-Projected
Source: MoRTH, CRISIL MI&A

Bridges and elevated road construction (Kms)

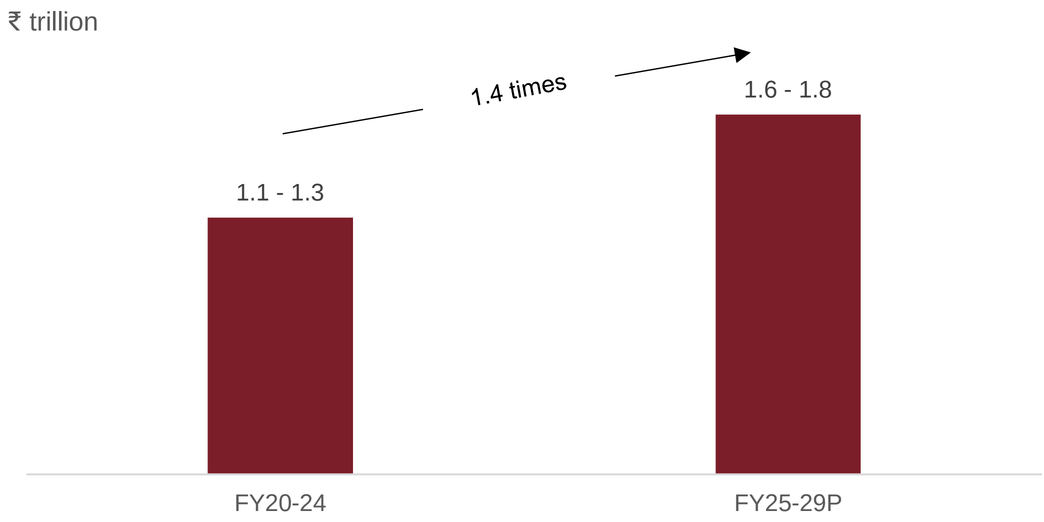


Note: E-Estimated, P-Projected
Source: MoRTH, CRISIL MI&A

Bridge and elevated road construction is expected to see 1.4 times rise

CRISIL MI&A estimates the construction spend on bridges and roads for national highways at ₹ 1.1 trillion to ₹ 1.3 trillion between the Fiscal 2020 and Fiscal 2024. Going forward, over the next five years that is from Fiscal 2025 to Fiscal 2029, spending on bridges and elevated roads will be supported by rise in spends on elevated expressways, rise in construction of national highways and robust road network connection. With this CRISIL MI&A expects the spending on bridges and roads to increase by 1.2 times to ₹ 1.6 trillion to ₹1.8 trillion between Fiscal 2025 and Fiscal 2029.

Construction of bridge and elevated roads



Note: P-Projected
Source: MoRTH, CRISIL MI&A

Overview of key ongoing/upcoming projects in metros, airports, roads segment

Below is the list of key projects in select sectors mentioned above. It is to be noted that the below list is not exhaustive but indicative in nature and does not contain all the projects announced in the segments mentioned.

Key ongoing/upcoming projects in metros, airports, roads segment

Segments	Key announced / on-going projects	Project cost (₹ billion)	Promoter
Metro	Ahmedabad Metro Rail Project [Phase-II]	650	Gujarat Metro Rail Corporation (GMRC) Ltd.
	Chennai Metro Rail Project - Phase II	632	Chennai Metro Rail Ltd.
	Delhi Metro Rail Project - Phase IV	550	Delhi Metro Rail Corporation Ltd.
	Udhampur-Qazigund-Srinagar-Baramula BG Railway Line	411	Northern Railway
Airport	Navi Mumbai airport	180	Adani Airport Holdings Limited
	Bengaluru airport-Stage 2 expansion	135	Bangalore International Airport Limited
	Delhi airport (Terminal 1 (expansion), fourth runway, taxiways /apron)	105	Delhi International Airport Limited/GMR group
	Hyderabad airport expansion (Terminal 2)	65	GMR Hyderabad International Airport Limited /GMR group
Elevated roads and bridges	Major Bridge (Bankot Creek) Project in Maharashtra	27.3	Maharashtra State Road Development Corp.
	High Level Bridge (Yetimoga-Yedurumundi Island) Project	10.3	Road and building department, government of Andhra Pradesh
	Major Bridge over Humphrey Strait Creek on NH-223 in Andaman & Nicobar Island	2.7	National Highways & Infrastructure Development Corporation Limited
	Major bridge over Middle Strait Creek on NH-223 in Andaman & Nicobar Islands	2.7	National Highways & Infrastructure Development Corporation Limited

Source: Setu Bhartam Yojana & MoRTH, Projects today, CRISIL MI&A

Overview of key policies and schemes for the metro, airport and roads segment

Key policies and schemes for the metro, airport, and roads segment

Segment	Policy/Scheme name	Details
Metro	National Urban Transport Policy (NUTP), 2006	Realizing the rapidly growing challenges of Urban Transport, Government of India formulated a National Urban Transport Policy in April 2006. The Policy was among the structured initiatives that focused on moving the people and not vehicles and stressed on incorporating Urban Transportation as an important component of Urban Development at the planning stage, rather than a consequential requirement. The policy set the tone for countering the mobility problems of big cities, recommending that they be addressed through demand management, and investments in public transport systems. The objective of the policy is to ensure accessible, safe, affordable, quick, comfortable, reliable and sustainable mobility for all. The policy seeks to promote integrated land use and transport planning, greater use of public transport and non-motorized modes of travel along with use of cleaner technologies. It encourages capacity building at institutional and individual levels, innovative financing mechanisms, institutional coordination, association of the private sector and need for public awareness and cooperation.
	Metro Rail Policy, 2017	The Metro Rail policy which was framed in consultation with various metro rail corporations, State Governments, Central Ministries and domain experts was effectuated in September 2017 for ascertaining and enhancing the feasibility of metro rail projects from economic, social and environmental perspective. The policy envisages a focused approach towards the selection and implementation of metro rail projects to maximize the overall benefits to the city and minimize cost. The policy aims to evolve metro projects from transportation projects to transformational projects. Introduced in August 2017, the Policy acts as a guide to States and Union Territories for preparing comprehensive proposals for systematic planning and implementation of metro rail systems in the cities. It creates an ecosystem for the rapid development of Metro Rails in the larger cities under different financing models and emphasize on standardisation and indigenisation of different Metro Rail System.

Segment	Policy/Scheme name	Details
		Within the purview of the Metro Rail Policy, 2017, the Central Government considers financial assistance for metro rail proposals in cities or urban agglomerates, based on the feasibility of the proposal and availability of resources. The policy encourages Public Private Partnership for implementation of the metro rail projects to leverage both public and private resources, expertise and entrepreneurship.
Airport infrastructure	National Civil Aviation Policy (NCAP) 2016	To aid the growth in airport infrastructure, the government is providing policy support and incentives aimed at attracting private investments. Some of key incentives in the 10-year National Civil Aviation Policy (NCAP) 2016 introduced by the Ministry of Civil Aviation (MoCA) on October 21, 2016, are: • 100% FDI under the automatic route for greenfield and brownfield airports • 49% FDI in scheduled airlines and regional air transport services through the automatic route and above 49% with government approval. For non-resident Indians (NRIs), 100% FDI is permitted under the automatic route 100% FDI via the automatic route for non-scheduled air transport services and helicopter services/sea plane services that require the Directorate General of Civil Aviation's ("**DGCA**") approval; for maintenance, repair and overhaul ("**MRO**") operations; flying training and technical training institutions; and ground handling services, subject to security clearance and sectoral regulations.
Roads	Bharatmala Pariyojana	Bharatmala Pariyojana is an umbrella project of the central government since 2015 that aims to improve efficiency in the roads sector. It is expected to supersede the National Highways Development Project ("**NHDP**") and envisages the construction of 65,000 km of highways under the following categories: national corridor (north-south, east-west, and Golden Quadrilateral), economic corridor, inter-corridor roads, and feeder roads. As per the Ministry, Bharatmala, along with the schemes currently undertaken, could require a total outlay of ₹ 6.9 trillion. Phase-I of the scheme envisages development of about 24,800 km of national highways/roads, plus residual 10,000 km of NHDP between Fiscal 2018 and Fiscal 2022. Awarding under Bharatmala began in Fiscal 2018 and we believe it will stretch till fiscal 2025 for Phase 1 involving development of about 9,000 km of economic corridors; about 6,000 km of inter-corridor and feeder roads; about 5,000 km of national corridor efficiency improvements, about 2,000 km of border and international connectivity roads; about 2,000 km of coastal and port connectivity roads; and about 800 km of expressways. As of December 2023, 26,418 km (i.e., 76% of 34,800 km) have been awarded for construction with completion of about 15,549 km..
	National Highway Development Project (NHDP)	NHDP encompasses building, upgradation, rehabilitation and broadening of existing national highways. The project is executed by NHAI in coordination with the public works departments of various states. NHAI also collaborates with the Border Roads Organization for the development of certain stretches. NHDP is being implemented in seven phases. The projects are awarded to private players either on EPC (cash) or on build-operate-transfer (BOT) basis and now based on the newly introduced hybrid annuity model (HAM). NHDP cash contracts are mainly financed through budgetary allocations from the Central Road Fund (CRF), grants/premium received, and toll revenue. Loans and grants are also received from the World Bank and Asian Development Bank. The NHDP, which was undertaken in the 2001, has been merged with the Bharatmala pariyojana which was announced in 2017. There were approximately 10,000 km of residual roads to be developed under NHDP which is now subsumed under Bharatmala project. Out of this residual 10,000 km in NHDP 6,649 km has been awarded and 3,756 km of the roads have been completed as of December 2022.

Source: CRISIL MI&A

Overview of Water industry (Irrigation + WSS) in India

Investments in water sector (irrigation + WSS) expected to see a rise led by completion of major irrigation projects and increase in water infrastructure under on-going schemes

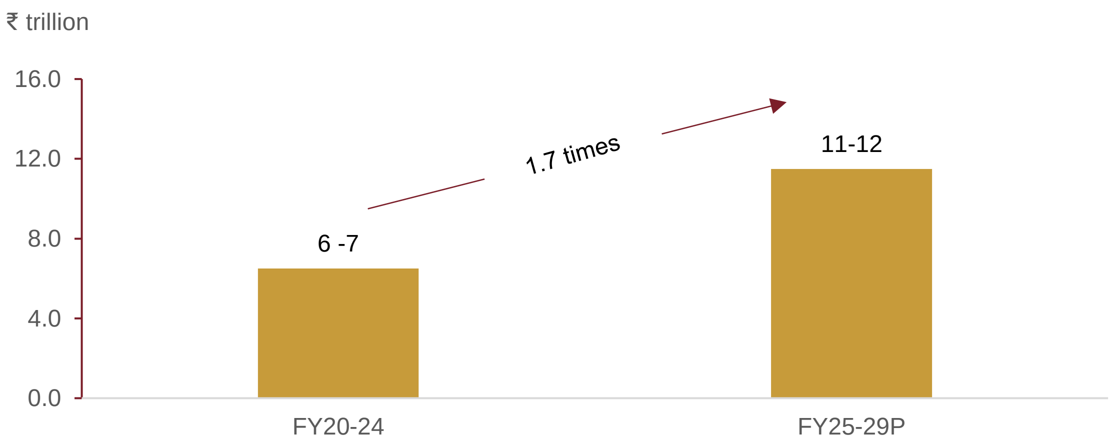
During Fiscal 2020 to Fiscal 2024, due to rise in investment expenditure across major agriculture states, coupled with central government focus on schemes such as Pradhan Mantri Krishi Sinchayee Yojana ("**PMKSY**"), accelerated irrigation benefits programme ("**AIBP**") and command area development and water management ("**CAD&WM**") Programme, the irrigation sector has attracted a total investment of ₹ 3.5 trillion to ₹ 4.5 trillion. In the future, an investment of ₹ 5 trillion to ₹ 6 trillion is estimated over the next five years between Fiscal 2025 and Fiscal 2029, which is an increase of approximately 1.7 times over the past five years, owing to the push from state governments to increase irrigation penetration in states.

The demand for irrigation infrastructure is driven by the need to enhance agricultural productivity, support rural livelihoods and ensure food security. Despite significant agricultural activity, many regions in India still rely on unpredictable monsoons due to low irrigation levels. Limited water resources further necessitate resilient irrigation systems. Investments in advanced irrigation methods help in better water usage, increase crop yields and ensure consistent agricultural productivity.

In the case of water supply and sanitation, the growth is majorly poised by support from government through various schemes such as Swachh Bharat Mission ("**SBM**"), Jal jeevan mission and the National Mission for Clean Ganga ("**NMCG**"). In addition to these schemes such as Atal Mission for Rejuvenation and Urban Transformation ("**AMRUT**"), which focuses on development of water supply and sanitation facilities among others along the infrastructure growth in urban regions.

Given these factors, the construction investments in water (Irrigation + WSS) are expected to grow by 1.7 times, from ₹ 6 trillion to ₹ 7 trillion during Fiscal 2020 and Fiscal 2024 to ₹ 11 trillion to ₹ 12 trillion between Fiscal 2025 and Fiscal 2029.

Investments in Indian water sector (irrigation + WSS)



Source: CRISIL MI&A

Overview of growth drivers in the water sector

Adoption of Micro-Irrigation Systems

Increasing adoption of drip and sprinkler irrigation systems for water-efficient irrigation. These systems help in conserving water and enhancing crop yields. Subsidies and financial incentives provided by the government under schemes like Pradhan Mantri Krishi Sinchayee Yojana ("**PMKSY**") would further aid in the adoption of micro-irrigation.

Technological Innovations

Integration of Internet of Things ("**IoT**"), sensors, and automation in irrigation systems to optimize water use and monitor soil moisture levels in real-time. Use of Geographic Information Systems ("**GIS**") and remote sensing for efficient water resource management and planning. Adoption of continuous advancements in irrigation technologies, such as precision irrigation, automated systems, and remote monitoring would support growth in irrigation penetration.

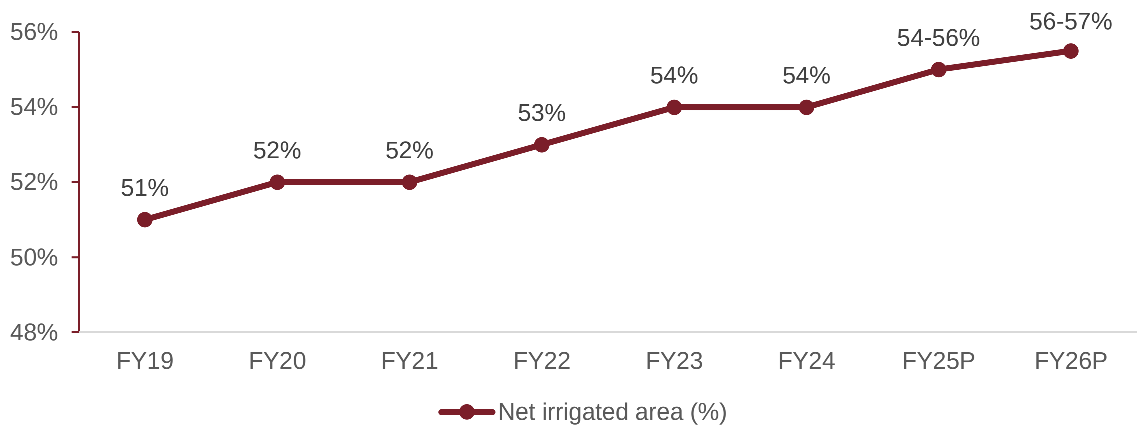
Increasing agriculture demand

The growing demand for food due to the rising population drives the need for enhanced agricultural productivity. Efficient irrigation systems are essential for maximizing crop yields. As the agriculture sector expands, so does the need for irrigation infrastructure. Export opportunities for agriculture products also incentivise farmers to adopt advanced irrigation methods, further driving the demand.

Rise in irrigation penetration in India

Irrigation penetration in India is low, but efforts are on to improve it. As per CRISIL estimates, approximately 54% of the net sown area has been irrigated as of Fiscal 2024. With only 54% of land irrigated, the country has huge potential to develop irrigation. Going ahead, aided by various initiatives such as Pradhan Mantri Krishi Sinchayee Yojana ("**PMKSY**"), Command Area Development and Water Management ("**CADWM**") coupled with increase in investments towards development of infrastructure facilities, irrigation penetration levels in India are expected to rise reaching to the levels of 56% to 57% by Fiscal 2026.

Improvement in irrigation penetration levels over the years in India



Note:
1. Irrigation penetration is net irrigated area over net sown area
2. Irrigation penetration is estimated by taking ₹ 0.8 million as capital expenditure for irrigating 1 hectare of land
Source: Ministry of Agriculture, CRISIL MI&A

Overview of key water projects (irrigation + water supply) in India

India has various key irrigation ongoing projects aiming to play a crucial role in supporting agriculture, managing water resources, and enhancing rural livelihoods. Water resources is a state subject. Hence, state governments are responsible for regulating the use of water. The development of irrigation projects is entrusted to state departments and corporations. While the irrigation/water resources department in a state handles all types of irrigation projects, minor irrigation projects can also be implemented by the agriculture department, zilla parishads/panchayats, and minor irrigation corporations.

These projects are instrumental in enhancing agricultural productivity, ensuring water security, and supporting the livelihoods of millions of people in India.

Some of the announced / on-going key water (irrigation + WSS) projects

Project name	Promoter	Cost (₹ Bn)
Kaleshwaram Lift Irrigation Project	Kaleshwaram Irrigation Project Corpn. Ltd.	1278.7
Kalpasar Dam Project	Narmada Water Resources, Water Supply & Kalpsar Department	1002.0

Project name	Promoter	Cost (₹ Bn)
Link Channel (Parbati-Kalisindh-Mez-Chakan-Banas-Ghanbhiri-Parwati) Project	Water Resources Department, Rajasthan	750.0
Polavaram Irrigation Project	Irrigation & CAD Department, Andhra Pradesh	555.5
Eastern Rajasthan Canal Project	Water Resources Department, Rajasthan	370.0
Palamuru-Rangareddy Lift Irrigation Scheme	Irrigation & CAD Department, Telangana	352.0
Telangana Drinking Water Supply Scheme	Telangana Drinking Water Supply Corpn. Ltd.	428.5
Kondhane Water Supply Scheme	City & Industrial Devp. Corpn. of Maharashtra Ltd.	52.4
Pipe Water Supply Scheme (Mathura)	Uttar Pradesh State Water & Sanitation Mission	33.1
Water Supply Scheme (Gargai-Pinjal)	Municipal Corpn. of Greater Mumbai	31.1

Note: The above set of projects is an indicative list and not an exhaustive list of projects
Source: Projects Today, CRISIL MI&A

Overview of key policies and schemes in the sector

Pradhan Mantri Krishi Sinchayee Yojana ("PMKSY")

Aiming to converge irrigation investment at the field level to maximise its impact, the government initiated PMKSY in Fiscal 2016, with a spending target of ₹ 500 billion until 2020. It was approved by the Cabinet Committee on Economic Affairs on July 1, 2015.

PMKSY is an umbrella scheme, consisting of two major components being implemented by Ministry of Jal Shakti, namely, Accelerated Irrigation Benefit Programme ("**AIBP**"), and Har Khet Ko Pani ("**HKKP**"). HKKP, in turn, consists of four sub-components: (i) Command Area Development & Water Management ("**CAD&WM**"); (ii) Surface Minor Irrigation ("**SMI**"); (iii) Repair, Renovation and Restoration ("**RRR**") of Water Bodies; and (iv) Ground Water ("**GW**") Development. Further, in 2016, CAD&WM sub-component of HKKP was taken up for implementation with AIBP.

In addition, PMKSY also consists of Watershed Development component ("**WDC**") which is being implemented by Department of Land Resources, Ministry of Rural Development. Further, Per Drop More Crop ("**PDMC**") component being implemented by Department of Agriculture and Farmers Welfare ("**DoA&FW**") was also a component of PMKSY during 2016 to 2021 and is now being implemented separately by DoA&FW.

Further, The Government of India has approved implementation of Pradhan Mantri Krishi Sinchayee Yojana ("**PMKSY**") for 2021 to 2026 with an outlay of ₹ 930.7 billion to benefit about 22 Lakh farmers. Total additional irrigation potential creation targeted during 2021 to 2026 under AIBP is 13.88 Lakh hectare. Apart from focused completion of 60 ongoing projects including their 30.23 lakh hectare command area development, 8 additional projects have been taken up as of January 2024. In addition, two national projects, namely Renukaji Dam Project (Himachal Pradesh) and Lakhwar Multipurpose Project (Uttarakhand) have also been included.

Accelerated Irrigation Benefit Programme (AIBP)

Accelerated Irrigation Benefits Programme ("**AIBP**") is one of the components of PMKSY, whereby partial financial assistance is being provided by Government of India for identified major/ medium irrigation projects.

During Fiscal 2017, Government of India approved funding of the 99 prioritized irrigation projects (and 7 phases) with an estimated balance cost of ₹ 775.9 billion (Central share approximately 40%, State share approximately 60%) for completion in phases. The works include both the AIBP and Command Area Development ("**CAD**") works with a target to create an irrigation potential of about 34.63 Lakh hectares.

Against the target an Irrigation Potential of about 25.50 Lakh hectares has been created through AIBP works of the prioritized projects during Fiscal 2017 to Fiscal 2023.

As of February 2024, AIBP works of 58 prioritized projects out of identified 99 projects (and 7 phases) were reported to be completed.

Ground Water (PMKSY-HKKP-GW)

Pradhan Mantri Krishi Sinchayee Yojana - Har Khet Ko Paani - Ground Water scheme, envisages to provide irrigation facility for small and marginal farmers in areas having sufficient potential for future development of ground water. Since 2019, 13 projects were sanctioned under this scheme in 10 States namely Arunachal Pradesh, Assam, Gujarat, Nagaland, Manipur, Mizoram, Tripura, Tamil Nadu, Uttar Pradesh, and Uttarakhand. During the year 2023, an amount of ₹ 297.1 million has been released (01.01.2023 to 31.03.2024) to the projects in the States of Assam, Arunachal Pradesh, Gujarat, Manipur, Mizoram, Nagaland, Tripura, Tamil Nadu, Uttar Pradesh, and Uttarakhand towards central assistance and 550 wells have been constructed creating additional command area of 11305 Ha, benefitting 1309 small and marginal farmers.

Command Area Development & Water Management (CADWM)

The scheme was launched with an aim to enhance physical access of water on farm and expand cultivable area under assured irrigation. 99 prioritized Projects have been identified for expeditious completion adopting innovative funding through creation of 'Long Term Irrigation Fund' under NABARD. The targeted Culturable Command Area ("**CCA**") of the presently 88 included projects are 45.08 lakh Ha. and estimated central assistance ("**CA**") is ₹ 82.3 billion. During 2016-17 to 2022-23, CA amounting to ₹ 29.6 billion was released while the CCA progress reported by States is 17.87 Lakh ha.

Atal Bhujal Yojana

Atal Bhujal Yojana (Atal Jal) is a Central Sector Scheme of Government of India with an outlay of ₹ 60 billion which is being implemented from 1st April 2020 for a span of 5 years . This unique scheme aims at increasing the capacity of States to manage their ground water resources and for ensuring their long-term sustainability with active participation of the local communities. It also envisages convergence of various ongoing schemes for implementation of interventions for improving ground water availability with emphasis on demand management and also optimal use of available water resources.

Under this scheme, 8,213 water stressed areas across seven states which include Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh have been identified. The scheme is partly funded by the World Bank.

Jal Jevan Mission

The Government of India has made a commitment to ensure that all rural households in the country have access to safe and potable tap water in sufficient quantity and of a specified quality on a regular and long-term basis. To achieve this goal, the Jal Jeevan Mission ("**JJM**") was launched in August 2019, in collaboration with the states. As drinking water falls under the jurisdiction of the states, the responsibility for planning, approval, implementation, operation, and maintenance of drinking water supply schemes, including those under the JJM, lies with the State/UT Governments. The Government of India provides support to the states by offering technical and financial assistance.

Since the inception of the Jal Jeevan Mission, significant progress has been made in improving access to tap water for rural households. At the beginning of the mission in August 2019, only 32.3 million rural households had tap water connections. However, As of October 6, 2024, Jal Jeevan Mission has successfully provided tap water connections to 11.95 crore additional rural households, bringing the total coverage to more than 15.19 crore households, which accounts for 78.58% of all rural households in India.

Under the Union Budget 2024-2025, an allocation of ₹ 701.6 billion has been made under the Jal Jeevan Mission.

In addition to above, the **Micro Irrigation Fund (MIF)** provides loans to state governments to promote micro-irrigation technologies. **The National Mission for Sustainable Agriculture (NMSA)** focuses on promoting sustainable agricultural practices, including efficient water resource utilization, supporting irrigation methods that enhance water use efficiency and encourage conservation techniques like rainwater harvesting. **The Pradhan Mantri Fasal Bima Yojana (PMFBY)**, primarily a crop insurance scheme, indirectly impacts irrigation by providing coverage for crop losses due to inadequate or excess rainfall, incentivizing farmers to invest in improved irrigation practices. **The Jal Shakti Abhiyan**, a water conservation and security campaign by the Ministry of Jal Shakti, promotes efficient water management and conservation practices essential for sustainable irrigation, contributing to enhanced agricultural productivity and supporting the irrigation sector in India.

Overview of railway construction industry in India

Overview of railways sector in India

India's rail network is a multi-gauge, multi-traction system

Gauge, also called Railway Gauge, in railroad transportation, the width between the inside faces of running rail. In India Gauges are of three types: Broad Gauge (1.676 m width), Meter gauge (1 m width) & Narrow Gauge (0.762 m & 0.610 m in width).

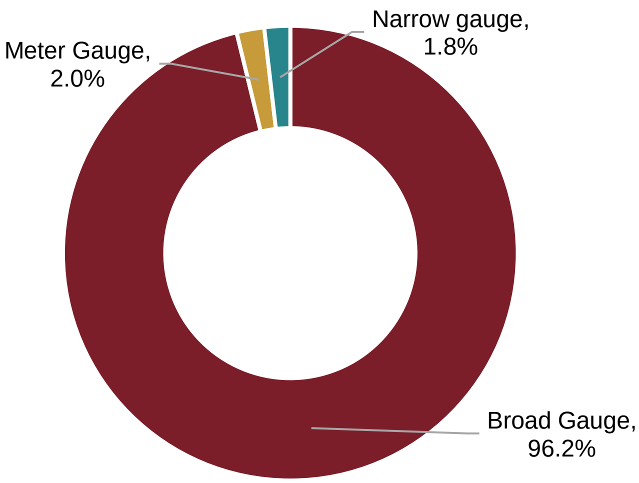
Traction system, system which causes propulsion of train vehicle in which driving force is obtain from various device such as Diesel or Electric. Indian Railway uses both Diesel and Electric traction system through its locomotives.

Gauge type and Route covered (as of Fiscal 2023)

Gauge type	*Route Kilometers*
Broad gauge (1.67m)	*65,978 km*
Meter gauge (1.00m)	*1,345 km*
Narrow gauge (0.76m/0.61m)	*1,262 km*
Total	*68,584 km*

Source: Indian Railway yearbook, CRISIL MI&A

Share of various gauges in the overall network



Source: Indian Railway yearbook, CRISIL MI&A

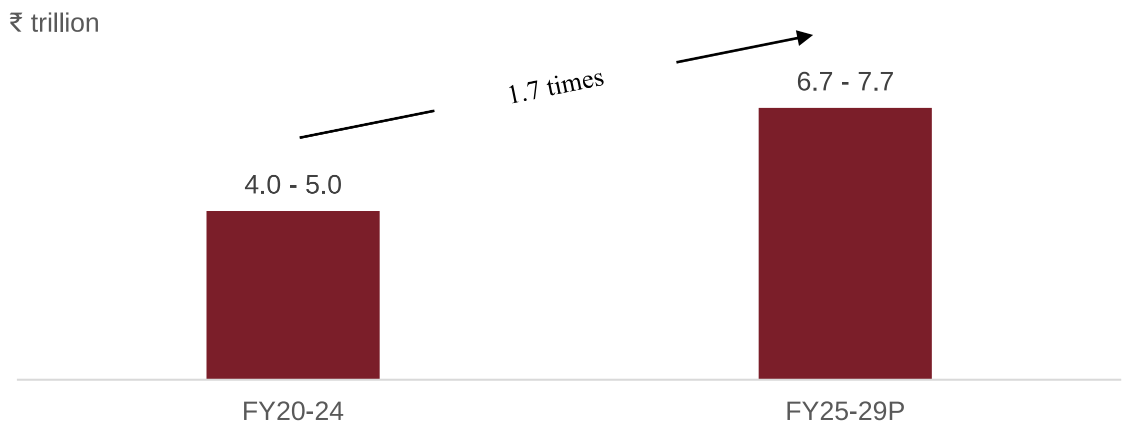
Construction spends in railways to grow by approximately 1.7 times between Fiscal 2025 to Fiscal 2029 compared to Fiscal 2020 to Fiscal 2024

CRISIL MI&A consulting expects a 5% to 7% rise in investments in railways in Fiscal 2025 led by rise in budget allocation for railways, implementation of high value projects such as the Mumbai-Ahmedabad Bullet train, gaining traction in station redevelopment and completion of the freight corridor. Further, a construction capex of ₹ 6.7 trillion to ₹ 7.7 trillion is seen during Fiscal 2025 to Fiscal 2029 compared to 4.0 trillion to 5.0 trillion during Fiscal 2020 to Fiscal 2024 led by investments in network decongestion, dedicated freight corridors, high-speed trains, investment in newer avenues such as Vande Bharat trains and rising focus on station redevelopment program.

The central government announced a capital outlay of ₹ 2.6 trillion for the Indian Railways in the Union Budget 2024-2025. The rise is due to planned investments in the manufacture of 400 new generation Vande Bharat trains and development of 100 PM Gati Shakti cargo terminals for multimodal logistics.

With construction investments over Fiscal 2025 and Fiscal 2029 expected to rise by 70% over the preceding five years during Fiscal 2020 to Fiscal 2024, raising funds through external agencies, IEBR and via PPP would be a key monitorable.

Construction spend in the railway sector (₹ trillion)



Source: CRISIL MI&A

Key growth drivers impacting the Indian railway construction industry

Urbanisation and population growth

Rising urbanization and population growth in India are driving the demand for efficient railway network in the country. New railway systems are being constructed in order to accommodate the increasing number of commuters and also to reduce traffic congestion as well as pollution.

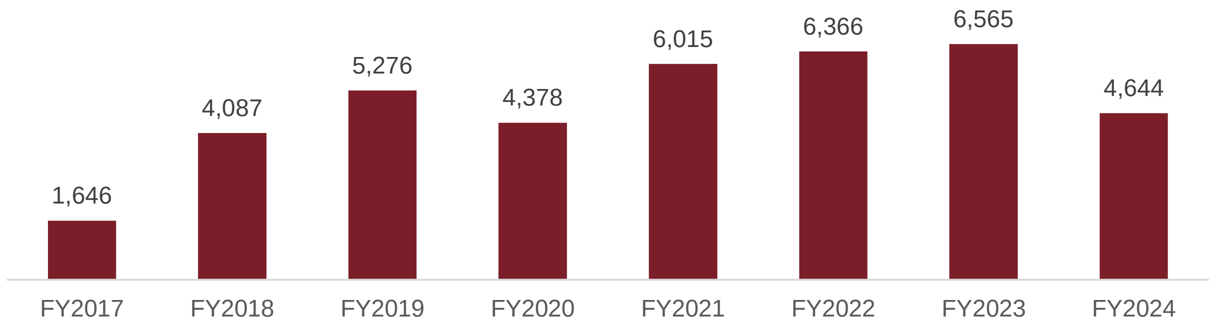
Railway electrification to aid construction investments

Indian Railways has been slowly, but steadily, electrifying its routes, as the benefits of electrification of railway lines are far greater than running with diesel engines. Most importantly, in India, the cost of electrification is cheaper than running trains with diesel.

The focus on electrification is mainly because of the cost benefits compared with diesel

- Marginally capital intensive but lowers line haul cost compared with diesel traction
- Cost of hauling goods by electric engine is nearly half of that by diesel engine
- Every 100 km of electrified section results in saving of annual consumption of more than four million litres of diesel
- In the US, the focus is still on diesel locomotives as dieselisation is cheaper than electrification. In India, the cost of diesel, including taxes, is 50% higher than the cost to US railways, so electrification works out to be cheaper.

Electrification (km)



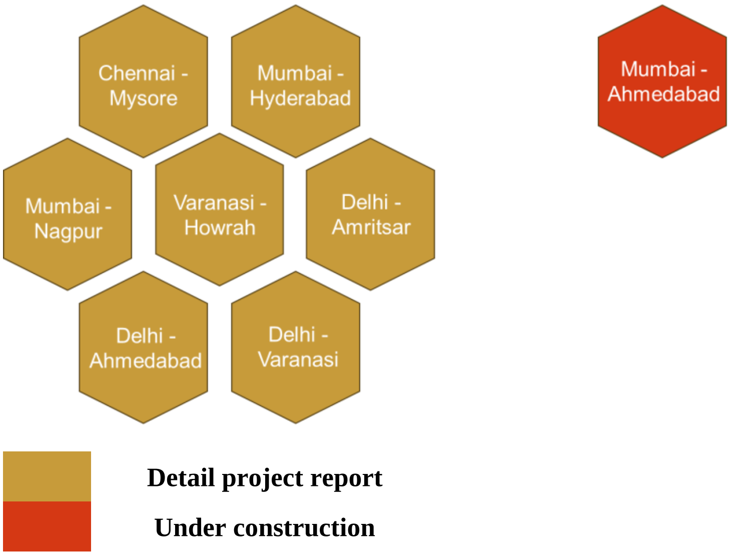
Source: Indian Railways, CRISIL MI&A

As on 1st July 2024, approximately 63,971 km, that is approximately 97% of the total broad-gauge network has been electrified, whereas the goal is to achieve 100% by 2024.

High speed rail projects

The Government of India has envisaged development of high-speed rail ("**HSR**") corridors and has identified 8 corridors for constructing HSR projects of which the Mumbai Ahmedabad corridor is under construction while DPR preparation of the remaining projects is under preparation.

Status of HSR projects



Source: CRISIL MI&A

Mumbai-Ahmedabad High Speed Rail ("**MAHSR**") project passes through the high growth rate States of Gujarat and Maharashtra connecting business centres of Mumbai, Surat, Vadodara and Ahmedabad. The sanctioned cost of the MAHSR project is ₹ 1,080.0 billion. Overall Physical progress of 41.72% [Gujarat- 50.70% (Gujarat-Civil work including enabling works- 72.42%) and Maharashtra—23.27%] has been achieved up to March 31, 2024. Financial progress of 48.80% has been achieved up to 31st March 2024.

Construction of these high-speed rail projects would further support the rise of investments into the sector.

Overview of key on-going/upcoming projects in the sector

Some of the announced / on-going key railway projects

Project name	Promoter	Cost (₹ Bn)
Bilaspur-Mandi-Manali-Leh Railway Line Project	Northern Railway	992.1
East West Dedicated Freight Corridor Project	Dedicated Freight Corridor Corporation of India Ltd.	738.0
Kerala Semi High-Speed Rail Corridor (Thiruvananthapuram-Kasargod) Project	Kerala Rail Development Corporation Ltd.	664.1
Udhampur-Qazigund-Srinagar-Baramula BG Railway Line	Northern Railway	411.2
Bengaluru Suburban Rail Project	Rail Infrastructure Development. Corporation. (Karnataka) Ltd.	186.0
Guntur-Bibinagar DL Railway Line Project	South Central Railway	28.6
Tarakeshwar-Bishnupur Railway Line Project	Eastern Railway	24.8
Vikramshila-Katareah Railway Line Project	East Central Railway	16.0
Mudkhed-Medchal DL Railway Line Project	South Central Railway	5.2
Somnath Railway Station – Redevelopment	Rail Land Development Authority	1.4

Note: The above set of projects is an indicative list and not an exhaustive list of projects
Source: Projects Today, CRISIL MI&A

Overview of key policies and schemes in the sector

National Rail Plan – 2030

Indian Railways have prepared a National Rail Plan ("**NRP**") for India – 2030. The Plan is to create a 'future ready' Railway system by 2030. The NRP aims to formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45%. The objective of the Plan is to create capacity ahead of demand, which in turn would also cater to future growth in demand right up to 2050 and also increase the modal share of Railways to 45% in freight traffic and to continue to sustain it.

To achieve this objective, following main features of the National Rail Plan have been identified:

- Formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45%
- Reduce transit time of freight substantially by increasing average speed of freight trains to 50 Kmph
- Identify new Dedicated Freight Corridors
- Identify new High Speed Rail Corridors
- Assess rolling stock requirement for passenger traffic as well as wagon requirement for freight.
- Assess Locomotive requirement to meet twin objectives of 100% electrification (Green Energy) and increasing freight modal share.
- Assess the total investment in capital that would be required along with a periodical break up.
- Sustained involvement of the Private Sector in areas like operations and ownership of rolling stock, development of freight and passenger terminals, development/operations of track infrastructure etc.

Amrit Bharat Scheme

Launched on August 6, 2023, the Amrit Bharat Station Scheme aims to transform and revitalize 1,309 railway stations nationally. The scheme involves:

- Preparation and implementation of master plans to improve the amenities at the stations.
- The scheme also envisages improvement of the building, integrating the station with both sides of the city, multimodal integration, amenities for Divyangjans, sustainable and environment-friendly solutions, provision of ballastless tracks, 'roof plazas' as per necessity, phasing and feasibility and creation of city centres at the station in the long term.

On 26th February 2024, the Government of India, as part of the Amrit Bharat Station Scheme, proposed 553 railway stations with an overall cost of ₹ 190.00 billion. In addition, it also proposed 1,500 infrastructure redevelopment projects like overbridges and underpasses at an overall cost of ₹ 215.20 billion. It will provide an overall opportunity of ₹ 410.00 billion.

Dedicated freight corridors

Ministry of Railways has taken up construction of two Dedicated Freight Corridors ("**DFCs**") which are Eastern Dedicated Freight Corridor ("**EDFC**") and Western Dedicated Freight Corridor ("**WDFC**"). EDFC pans from Ludhiana to Sonnagar (1,337 Km) and WDFC from Jawaharlal Nehru Port Terminal ("**JNPT**") to Dadri (1,506 Km). The construction of Dedicated Freight Corridors will aid in reducing the logistic cost with higher axle load trains, Double Stack Container trains ("**DSC**") and faster access to Northern hinterland by Western Ports and will also lead to development of new industrial hubs and Gati Shakti Cargo Terminals.

As of November 26, 2024, Construction of EDFC has been fully completed and 1,404 Km out of 1,506 Km of WDFC had been commissioned and rest of section is expected to be commissioned by December 31, 2025.

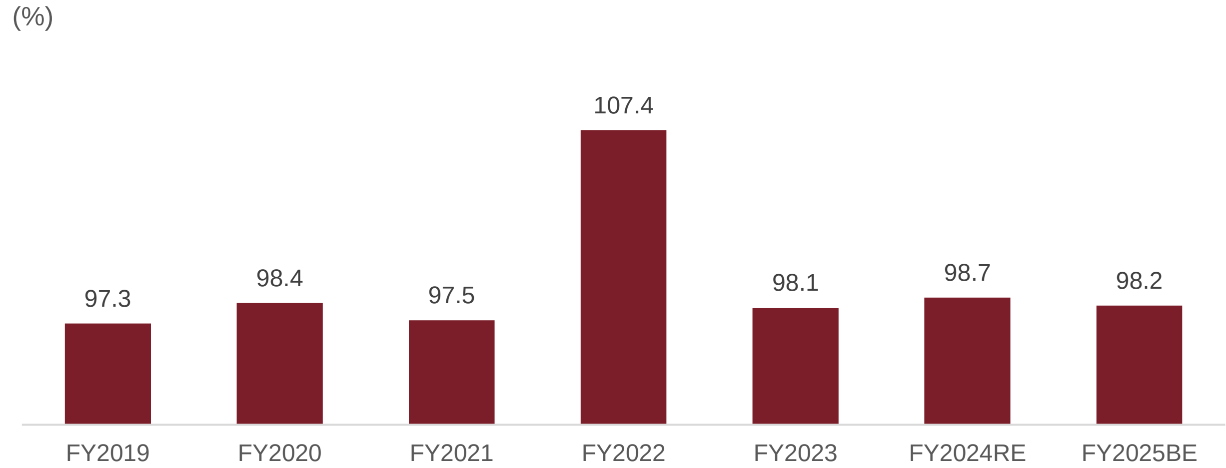
Further, EDFC had achieved 95% financial progress and WDFC had achieved 93% of financial progress as on the said date.

Rail Budget 2024-25

The total Capital Outlay for the Ministry of Railways for the year 2024-25 has been kept at ₹ 2,650 billion of which ₹ 2,520 billion are meet through Gross Budgetary Resources ("**GBR**") and rest through Internal and Extra Budgetary Resources ("**IEBR**"). The 2024-2025 budgeted capital outlay is 2% higher than the revised estimates of 2023-2024, while the GBS has seen an increment of 5% during the same period. The key announcements under the current 2024-25 includes the development of three targeted corridors a) energy, mineral and cement, b) port connectivity and c) high traffic density which are planned to be developed under PM Gati Shakti.

Additionally, 40,000 normal rail bogies are planned to be upgraded to Vande Bharat standards in order to enhance passenger safety and convenience.

Operating Ratio (%) of IR



Operating ratio is defined as ratio of working expenses to gross revenue.
Note: RE-Revised Estimate, BE: Budget Estimate
Source: Budget Documents, CRISIL MI&A

Overview of key threats and challenges

Overview of key threats and challenges for the buildings and factories (Industrial) construction industry in India

Key threats and challenges for the buildings and factories (Industrial) construction industry

Threats / Challenges	Description
Rising Material Costs and Supply Chain Disruptions	Building and industrial construction projects are heavily impacted by volatile raw material prices, such as steel, cement, and electrical components. Inflation and imports for specialized materials, like advanced machinery for factories or cooling systems for data centers, make these sectors vulnerable to global supply chain disruptions.
Labor and Workforce Challenges	Construction in India relies heavily on manual labor, and shortages of skilled workers significantly impact project timelines and quality. Migrant labor dependency poses risks during crises like pandemics or natural disasters, when workers leave cities in large numbers. Additionally, inadequate training programs result in a lack of expertise in modern construction technologies, affecting the efficiency and safety of projects.
Land costs	Cost of land as proportion of project cost vary based on the location. Accounting for major share of the total project costs, within construction, increased volatility in commodity prices and problems in land acquisition increases input-related risk for developers.
Regulatory delays and complex approval processes	The building and industrial construction industry often faces significant delays due to the need to obtain multiple permits and clearances from various government departments, such as environmental, zoning, and safety regulations. The lack of streamlined processes and inconsistent enforcement across states further exacerbates project timelines and increases costs.

Source: CRISIL MI&A

Overview of key threats and challenges for urban infra construction industry in India

Key threats and challenges for the urban infra construction industry

Threats / Challenges	Description
Funding and Financial Risks	The urban infrastructure industry is capital-intensive, requiring massive investments from both public and private sectors. Many projects suffer from cost overruns and financial strain due to inadequate budgeting, inefficient resource allocation, and fluctuating market conditions. Additionally, private investors are often wary of the long gestation periods for returns on infrastructure projects.
Cyclicity	The urban infrastructure industry in India is also affected by cyclicity, driven by economic conditions. During periods of economic growth, investments in roads, highways, metros, and airports increase, boosting project execution. However, during economic slowdowns or fiscal constraints, reduced spending leads to delays and resource underutilisation. This disrupts long-term planning, escalates costs, and creates uncertainties for developers, impacting the overall efficiency and sustainability of infrastructure projects.
Technological and Quality Risks	The adoption of outdated construction techniques and materials in some projects compromises infrastructure quality. While advanced technologies like prefabrication are gaining traction, their implementation remains inconsistent. Substandard quality control measures, especially in road construction, can lead to premature wear and tear, necessitating costly repairs and raising safety concerns.
Climate Resilience and Disaster Risks	India's urban infrastructure is increasingly vulnerable to the impacts of climate change, such as heavy rains, floods, and extreme heat. Roads and highways are often disrupted during natural disasters, leading to significant economic losses and public inconvenience. Poor drainage systems and inadequate climate-resilient designs exacerbate the issue. For instance, flooding in urban areas frequently damages roads and metro networks, while airports may face disruptions due to extreme weather conditions. Addressing these risks plays a vital role in long term sustenance of these projects.

Source: CRISIL MI&A

Overview of key threats and challenges impacting the construction in water industry in India

Key threats and challenges in the water sector in India

Threats / Challenges	Description
Aging Infrastructure	Much of India's irrigation infrastructure is build long ago and deteriorating, leading to inefficiencies and water losses. Canals and reservoirs, built decades ago, often suffer from poor maintenance and structural weaknesses. This aging infrastructure fails to meet the growing demands of modern agriculture, resulting in uneven water distribution and reduced irrigation efficiency. Delays in infrastructure modernization may hinder productivity of the agriculture sector.
Financial Constraints	Small and marginal farmers, who constitute the majority of the agricultural population, often lack the financial resources to invest in modern irrigation systems. The high initial costs of installing advanced technologies like drip and sprinkler irrigation deter widespread adoption. Moreover, access to credit and financing options remains limited, especially in rural areas. Ensuring financial inclusivity and affordable financing solutions is crucial for the industry's growth.
Technological Adoption	Despite the availability of advanced irrigation technologies, their adoption rate among farmers is relatively low. This is partly due to a lack of awareness and technical knowledge about the benefits and operation of these systems. Bridging this knowledge gap requires targeted education and capacity-building initiatives. Collaborative efforts between government agencies, private sector players, and agricultural universities can facilitate wider adoption of innovative irrigation solutions.
Environmental Concerns	Inefficient irrigation methods can lead to excessive water use, resulting in soil degradation and reduced agricultural productivity. Moreover, the overreliance on chemical fertilizers and pesticides in irrigated areas contributes to water pollution and ecosystem disruption. Promoting sustainable and environmentally friendly irrigation practices is vital for preserving natural resources.

Source: CRISIL MI&A

Overview of key threats and challenges impacting railway construction industry in India

Key threats and challenges impacting railway construction sector in India

Threats /Challenges	Description
Complex projects	Railways and metro projects are highly complex in nature with regards to their scale, technical expertise, financial capabilities, legal and regulatory requirements. This complexity increases risks and costs, making private investors hesitant to participate.
Cost overrun and execution delays	Several railways and metro projects have been experiencing cost overrun and executive delays primarily on account with delays in land acquisition, inadequate planning, project financing issues, approval from several authorities, complex engineering requirement, unforeseen ground conditions on an ongoing basis.
Overcrowding	Indian Railways carry large number of passengers on a daily basis. This high volume of passengers coupled with aging infrastructure of Indian Railways creates pressure on the system leading to delays and passenger discomfort

Source: CRISIL MI&A

Key threats and challenges in oil and gas pipeline industry in India

The oil and gas pipeline industry is a critical component of India's energy infrastructure, ensuring efficient transportation of hydrocarbons across the country. However, the sector faces several threats and challenges that impede its growth and operational efficiency.

Threats and Challenges	Descriptions
Regulatory and Policy Challenges	• Multiple overlapping regulations and jurisdictional conflicts between central and state authorities hinder seamless operations and project implementation. • Delays in environmental clearances, land acquisition, and statutory approvals prolong project timelines. • Frequent changes in policies related to pricing, tariffs, and subsidies can disrupt long-term planning and investment. • Absence of a single, streamlined regulatory body for pipelines creates inefficiencies in decision-making and compliance
Infrastructure and Technological Constraints	• Many existing pipelines are aging and require significant maintenance or replacement, increasing operational costs. • While the network is expanding, the pace is insufficient to meet the growing demand for oil and gas in urban and rural areas. • Limited adoption of advanced technologies such as real-time monitoring systems, predictive maintenance tools, and leak detection technologies.
Land Acquisition and Social Challenges	• Securing rights-of-way for pipeline construction is often delayed due to bureaucratic red tape, legal disputes, and opposition from landowners. • Local opposition due to concerns over environmental risks, displacement, and lack of perceived benefits to the community. • Political dynamics often exacerbate land acquisition and compensation challenges.
Environmental and Safety Risks	• Pipeline projects face scrutiny over their potential impact on ecosystems, water bodies, and agricultural land. • Challenges in meeting stringent environmental standards and mitigating emissions. • Risk of spills, leaks, and explosions due to corrosion, mechanical failure, or sabotage. • Increasing incidents of theft and vandalism, especially in remote areas. • Extreme weather events such as floods and cyclones disrupt pipeline operations and increase maintenance costs.
Financial and Economic Challenges	• Pipeline projects require substantial upfront investments, often necessitating long payback periods. • Difficulty in securing financing for projects due to perceived risks and economic volatility. • Fluctuating global crude oil and natural gas prices impact revenue streams and financial stability.

Threats and Challenges	Descriptions
Geopolitical and Strategic Risks	• Geopolitical tensions with neighboring countries impact cross-border pipeline projects and energy security. • Heavy reliance on imported crude oil and natural gas makes the sector vulnerable to global market disruptions.

Competitor analysis

In this section, CRISIL MI&A has analysed EPC players operating in the Indian construction industry. Data in this section has been obtained from publicly available sources, which include annual reports and investor presentations, regulatory filings, rating rationales, and/or company websites.

Note: The list of peers considered in this section is not an exhaustive but an indicative list. Key Indian construction EPC players with a comparable revenue range as Kalpataru Projects International Ltd and offering similar product portfolio have been considered in this segment.

Following nomenclature has been considered in this section of the report

- Afcons Infrastructure Ltd : Afcons
- Kalpataru Projects International Ltd : Kalpataru
- K E C International Ltd : KEC International
- Larsen & Toubro Ltd : L&T
- NCC Ltd : NCC
- Tata Projects Ltd : Tata Projects

Overview of the peers considered

Overview of the peers considered

Company name	Description	Fiscal 2024 order book (₹ billion)
Afcons	Afcons Infrastructure Ltd, incorporated in 1976 as Asia Foundations and Constructions Limited, is an infrastructure, engineering and construction company of the Shapoorji Pallonji group. It operates in diverse segments such as marine works (including construction of jetties and dry docks), offshore oil and gas, bridges and flyovers, road construction, hydro and tunnelling, pipe laying and general civil engineering works.	310
Kalpataru	KPIL, established in 1981, has over four decades experience, a global presence and is one of the players in the EPC industry with well diversified business portfolios across various sectors such as power transmission and distribution, buildings and factories, water supply and irrigation, oil and gas, urban infrastructure, and railways.	584
KEC International	Established in 1945, KEC is the flagship company of the Harsh Goenka faction of the RPG group and a global infrastructure EPC major. It is present in the power T&D, cables, railways, civil infrastructure, solar and smart infrastructure segments. The company has six manufacturing facilities across India, Brazil, Mexico and Dubai.	296
L&T	Set up in 1938 by Mr. HH Larsen and Mr. SK Toubro, L&T was incorporated in 1946 and reconstituted as a public limited company in 1950. It is one of Asia's largest vertically integrated EPC conglomerates, with presence across segments such as infrastructure, power, hydrocarbons, heavy engineering, precision engineering & systems, IT&TS, metallurgical and material handling, and machinery and industrial products. L&T undertakes infrastructure development projects (metro rail and power generation) through its SPVs: LTMRHL and L&T PDL.	4,758
NCC	NCC Limited, a construction and infrastructure sector company, was established in 1978. Over the years, the company expanded its presence in sectors of construction and infrastructure development. Its construction endeavours span across the nation and encompass buildings, transportation, water and environment, electrical transmission and distribution, irrigation, mining, and railways projects.	575

Company name	Description	Fiscal 2024 order book (₹ billion)
Tata Projects	TPL, incorporated in 1979 and is held by several Tata group companies with the largest shareholder being Tata Sons. The company operates across various sectors which include urban infrastructure, oil & gas and Hydrocarbon, transportation, space, power and water.	368

Source: Company filings, CRISIL MI&A

Presence in sectors

Overview of sectoral presence of the players considered

Company name	Roads	Railways	Power	Airports	Water	Oil and Gas	Building construction	Industrial construction
Afcons	✓	✓	✗	✗	✓	✓	✗	✓
Kalpataru	✓	✓	✓	✓	✓	✓	✓	✓
KEC International	✗	✓	✓	✗	✓	✓	✓	✓
L&T	✓	✓	✓	✓	✓	✓	✓	✓
NCC	✓	✓	✓	✓	✓	✗	✓	✓
Tata Projects	✓	✓	✓	✓	✓	✓	✓	✓

Source: Company filings, Company website, CRISIL MI&A

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Audited Consolidated Financial Statements and our Unaudited Consolidated Financial Results in "Financial Information" on page 284.

This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Placement Document. For further information, see "Forward Looking Statements" on page 18. Also read "Our Business", "Industry Overview", "Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations", "Risk Factors" and "Summary Financial Information" on pages 179, 90, 284, 150, 42, and 34, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals ended 2022, 2023 and 2024 included herein is based on the Audited Consolidated Financial Statements, and the financial information included herein for the half year ended September 30, 2023 and 2024 is based on the Unaudited Consolidated Financial Results for the half year ended September 30, 2024, included in this Placement Document. For further information, see "Financial Information" on page 284. Unless otherwise stated or the content otherwise requires, references in this section to "we", "us", or "our" are to *Kalpataru Projects International Limited, its Subsidiaries, Joint Venture and joint operations on a consolidated basis.*

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report "Power, buildings & factories, urban Infra, water, oil & gas and railway sectors in India" dated December 2024 (the "**CRISIL Report**") prepared and released by CRISIL Research, a division of CRISIL Limited ("**CRISIL**"), and commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

For information in relation to our business, see "*Our Business*" on page 179.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial condition are affected by a number of important factors including:

Government policies and macroeconomic conditions

Our results of operations and financial condition are influenced by government policies and general economic conditions prevalent in India and the international markets in which we operate. Our revenues from our EPC projects depend on budgetary allocations by government authorities and funding from multilateral agencies and the private sector. If government authorities and such agencies were to reduce their budgetary allocations for infrastructure projects, our business and results of operations may be adversely affected. We believe that overall economic growth will lead to an increase in demand for better infrastructure, which would have a positive effect on the demand for our products and services.

While we have generally benefited from the growing economy in India and our international markets as well as government focus on developing infrastructure projects across different regions and sectors, adverse macroeconomic conditions may result in our contracts being delayed, renegotiated or terminated. Macroeconomic conditions also affect our expenses and during periods of high inflation, our cost of materials and overall expenses may increase. Further, during periods of high inflation, central banks may tighten their monetary policies, which are likely to affect interest rates and consequently our finance costs.

Successful participation in bids for new projects

We operate across six verticals of transmission and distribution, buildings and factories, water, oil and gas, urban infrastructure and railways and most of the projects that we undertake are awarded to us through a competitive bidding process. We are required to meet certain operational and financial criteria in order to bid for projects and hence pre-qualification is an important factor that enables us to win projects. Such criteria may include our prior experience in executing similar projects, our technical expertise, safety record, financial strength and ability to provide performance guarantees. Further, the price that we quote for a project is an important factor for us to be awarded the project. Our operations are supported by our in-house manufacturing capabilities and strong relationships with suppliers, which we believe gives us a cost advantage over our competitors, and helps us win bids.

However, the tender process may be subject to changes in the qualification criteria or unexpected delays and we cannot assure you that the projects that we bid for will be awarded within a reasonable time or at all. If the qualification criteria for a project is modified such that we are unable to bid for it, our business and prospects may be adversely affected. We believe that our track record of executing large projects across different sectors and geographies helps us identify potential bids and prepare for them when such opportunities arise in the market. In certain cases, we may enter into enter into joint arrangements with local EPC organizations and construction contractors in international markets who possess required pre-qualifications and registrations that will enable us to bid for projects and execute them effectively. Going forward, our results of operations will significantly depend on our ability to successfully bid for new projects.

Our ability to execute our order book

Our Order Book comprises our estimated revenues from the unexecuted portions of all our existing contracts as of a particular date and stood at ₹ 60,631.01 crore, as of September 30, 2024. Over the years, we have diversified our operations across different sectors and geographies, which has helped us grow our revenues and reduce our dependence on any specific sector or region.

The table below sets forth details of our order book as of the dates mentioned:

Business Vertical	**As of September 30, 2024**		**As of March 31, 2024**		**As of March 31, 2023**		**As of March 31, 2022**	
	₹ in crore	**% of Total**	**₹ in crore**	**% of Total**	**₹ in crore**	**% of Total**	**₹ in crore**	**% of Total**
Transmission and Distribution*	22,268.86	36.73%	20,678.40	35.40%	16,478.80	35.88%	11,080.98	33.82%
Building and Factories	13,156.40	21.70%	11,021.00	18.87%	8,547.21	18.61%	7,989.59	24.39%
Oil & Gas	8,473.50	13.98%	9,030.87	15.46%	1,666.00	3.63%	1,931.24	5.88%
Water	10,518.91	17.35%	10,667.00	18.26%	12,476.47	27.17%	6,499.54	19.84%
Railways	3,569.51	5.88%	3,985.00	6.82%	3,747.16	8.16%	2,610.66	7.98%
Urban Infrastructure	2,643.83	4.36%	3,033.04	5.19%	3,001.97	6.55%	2,649.15	8.09%
Total	**60,631.01**	**100.00%**	**58,415.31**	**100.00%**	**45,917.61**	**100.00%**	**32,761.15**	**100.00%**

**Transmission and distribution business includes Linjemontage I Grastorp AB (Sweden), Fasttel Engenharia S.A., Brazil and other foreign Subsidiaries and Joint Venture.*

However, the manner in which we calculate and present our Order Book may vary from that presented by other companies. Also see "*Risk Factors – 5. Orders in our order book may be delayed, truncated, modified, or cancelled, and notice of awards may be withdrawn or may not translate into confirmed orders, which may have an adverse effect on our business, results of operations and financial condition.*" on page 45.

Our Order Book and the new projects that we bid for will determine our future results of operations. Since our projects are relatively large sized contracts, our results of operations may differ from quarter to quarter depending on the project implementation schedule and we expect this trend to continue in the future. The project implementation schedule may vary due to several factors such as the availability of land from the customer, availability of adequate labour and climatic conditions. Hence, the realization of our Order Book and our results of operations may vary based on the nature of contracts, actual performance, stage of completion of the contract as they are impacted by our revenue and expense recognition policies. Further, the cancellation of contracts in our Order Book and cost escalations that are not provided for in our contracts may adversely affect our results of operations.

Our execution capabilities

Our results of operations also depend on our ability to execute our projects in a timely and cost efficient manner. While developing our projects, we may face several challenges including in connection with land acquisition, receipt of necessary license and approvals from relevant government authorities, geological issues, working in challenging climates and terrains, availability of adequate manpower, and receipt of adequate funding on commercially acceptable terms. We are required to complete our EPC projects within the timelines specified in the relevant contractual arrangements and no later than the scheduled commercial operations date. In certain cases, our contracts provide for extensions under certain circumstances. If we are unable to complete our projects within the relevant timelines, the performance guarantees that we provide may be invoked by our customers, which may adversely affect our results of operations. At the outset of our contracts, we identify and monitor risks in achieving the technical requirements, meeting the specified delivery schedule and cost aspects of the contract and assess the effects of those risks on our estimates and assumptions of total costs to complete the contract. Hence, the profitability of these contracts will significantly be determined by the accuracy of our assumptions and estimates used in the costing of the contract and how efficiently we execute the contract.

Seasonal variations

Our business is subject to seasonal variations and extreme weather conditions, which may require us to halt our construction activities, evacuate our personnel and repair or replace damaged equipment. Typically, construction activity is curtailed during the monsoons but we may continue to incur operating expenses while our revenues may be delayed or reduced. Our operations and construction activity may be adversely affected by natural disasters including floods, earthquakes and landslides, which may result in significant interruptions in our operations or damage to property and equipment that may not be adequately covered by our insurance policies. Consequently, seasonal variations and adverse weather conditions may adversely affect our construction activities and could therefore have a disproportionate impact on our results of operations during the relevant period.

Competition

We face significant competition from other companies in India and in the international markets in which we operate. Some of our competitors are larger than us, are more diversified, may have greater financial resources than we do, may have access to a cheaper cost of capital or invest larger amounts of capital into their businesses. Our competitors may also make strategic acquisitions or establish co-operative relationships among themselves or with third parties, including other contractors or developers who possess relevant licenses and meet pre-qualification criteria, thereby enhancing their ability to win projects that we bid for. The level of competition also depends on factors such as the location and complexity of the project, total contract value and potential margins. Customers typically award projects while evaluating factors including performance track record, health and safety records, availability of skilled manpower, however, the price quoted is often a deciding factor while awarding tenders. We will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operations.

PRESENTATION OF FINANCIAL INFORMATION

In this Placement Document, we have included:

- the audited consolidated financial statements for Fiscal 2022, along with the respective schedules and notes thereto;
- the audited consolidated financial statements for Fiscal 2023, along with the respective schedules and notes thereto;
- the audited consolidated financial statements for Fiscal 2024, along with the respective schedules and notes thereto; and
- unaudited consolidated financial results for the quarter and half year ended September 30, 2023 and September 30, 2024, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI Listing Regulations.

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 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Revenue Recognition

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.

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.

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;

- 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.

Warehousing

Revenues from warehousing facilities are recognized when services are rendered, which coincides with agreement entered with customers and other entities.

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.

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

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.

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.

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.

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.

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.

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.

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.

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. Re-measurements 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.

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.

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 in the Statement of Profit and Loss in the period in which they are incurred.

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.

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.

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 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.

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.

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.

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.

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%

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.

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.

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.

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.

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.

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.

PRINCIPAL COMPONENTS OF REVENUE AND EXPENDITURE

Revenue

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from Operations

Revenue from operations comprises revenue from contract with customers which includes (i) sale of products, comprising tower parts & components, agro commodities and others; (ii) income from EPC contracts; (iii) income from services; and (iv) other operating income comprising sale of scrap, export benefits and others.

Other Income

Other income includes (i) interest income consisting of (a) financial assets carried at amortised cost comprising on fixed deposits, loans and (b) Others; (ii) dividend income comprising dividend from investment measured at

FVTPL; (iii) Other non operating income comprising rent income, grant received, insurance claims, liabilities written back and miscellaneous income; and (iv) other gains and losses comprising gain /(loss) on investments designated at FVTPL and gain/(loss) on disposal of property, plant and equipments (net).

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) changes in inventories of finished goods and work in progress; (iii) erection, sub-contracting and other project expenses; (iv) employee benefits expenses; (v) finance costs; (vi) depreciation and amortisation expenses; (vii) expected credit losses provision for loans and advances given to Joint Venture; and (viii) other expenses.

Costs of Materials Consumed

Costs of materials consumed comprises (i) raw materials consisting of steel and zinc, (ii) components & accessories, etc; and (iii) agricultural residues; and (iii) construction materials; and (iv) others.

Changes in Inventories of Finished Goods and Work in Progress

Changes in inventories of finished goods and work in progress comprises (i) stock at beginning of the year comprising; finished goods, semi-finished goods, scrap; and (ii) stock at close of the year; finished goods, semi-finished goods, and scrap.

Erection, Sub-Contracting and Other Project Expenses

Erection, sub-contracting and other project expenses comprises (i) subcontracting expenses; (ii) construction material, stores and spares consumed; (iii) power and fuel; (iv) freight and forwarding expenses; (v) vehicle and equipment hire charges; (vi) custom duty, clearing & handling charges; and (vii) others.

Employee Benefits Expense

Employee benefits expense comprises (i) salaries, wages, bonus; (ii) contribution to provident and other funds; and (iii) employees' welfare expenses.

Finance Costs

Finance costs comprises (i) interest expenses; (ii) other borrowing costs; and (iii) exchange rate variation.

Depreciation and Amortization Expenses

Depreciation and amortization comprises (i) depreciation on property, plant and equipment; (ii) amortisation on right of use assets; and (iii) amortization on other intangible assets.

Other Expenses

Other expenses includes (i) job charges; (ii) power and fuel; (iii) repairs and maintenance comprises plant and machinery, buildings and others; (iv) freight and forwarding expenses; (v) stores, spares and tools consumed; (vi) vehicle / equipment running and hire charges; (vii) testing expenses; (viii)pollution control expenses; (ix) insurance; (x) rent; (xi) rates, taxes and duties; (xii) stationery, printing and drawing expenses; (xiii) telecommunication expenses; (xiv) travelling expenses; (xv) legal and professional expenses; (xvi) bank commission and charges (including ecgc premium); (xvii) allowance for expected credit losses; (xviii) impairment loss on asset held for sale; (xix) bad debt written off; (xx) loss on material damaged / lost / fire; (xxi) loss / (gain) on exchange rate variation; (xxii) sitting fees and commission to non-executive directors; (xxiii) corporate social responsibility expenses; (xxiv) carbon credit expenses; (xxv) fair value changes of financial instrument; and (xxvi) miscellaneous expenses.

NON-GAAP MEASURES

EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)), EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin, Net Debt (excluding secured loans – others) to EBITDA (excluding other income and exceptional items - gain / (loss) (net)), Net Debt (excluding secured loans – others), Net Debt (excluding secured loans – others) to Equity Attributable to Owners of the Company, Return on Equity, Return on Capital Employed and Net Profit Margin (together, "**Non-GAAP Measures**"), presented in this Placement Document are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) and EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin

The table below provides reconciliation of our EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) and EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin for the years/ periods indicated:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ Crores, unless otherwise specified)				
Profit for the year/ profit for the period	535.06	435.02	515.90	203.15	209.51
Add: Tax expenses	161.35	206.50	185.29	94.30	115.58
Add: Depreciation and Amortisation Expenses	350.78	391.75	473.29	233.21	236.51
Add: Finance Cost	396.33	466.75	518.08	252.28	294.59
Less: Other Income	88.92	39.70	63.99	29.76	39.04
Less: Exceptional items - Gain / (Loss) (net)	184.93	90.78	-	-	-
EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net))	1,169.67	1,369.54	1,628.57	753.18	817.15
Revenue from operations	14,777.38	16,361.44	19,626.43	8,759.34	9,516.53
EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin (%)	7.92%	8.37%	8.30%	8.60%	8.59%

Net Debt (excluding secured loans – others)/ Equity Attributable to Owners of the Company

The table below provides reconciliation of (excluding secured loans – others) to Equity Attributable to Owners of the Company for the year / period indicated.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ Crores, unless specified otherwise)				
Non Current Borrowings (Excluding secured loans – Others) - A	1,337.60	1,278.99	1,444.06	1,322.20	1,426.05
Current Borrowings - B	1,881.77	2,526.14	2,425.43	2,635.31	3,235.29
Cash and Bank balances (Including Fixed Deposits) C	-1,317.87	-1,223.67	-1,278.36	-774.22	-992.67
Net Debt (excluding secured loans – others) (D= A+B-C)	1,901.50	2,581.46	2,591.13	3,183.29	3,668.67
Equity Attributable to Owners of the Company (E)	4,278.57	4,720.62	5,137.99	4,833.99	5,193.80

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ Crores, unless specified otherwise)				
Net Debt (excluding secured loans – others)/ Equity Attributable to Owners of the Company (D/E) (in times)	0.44	0.55	0.50	0.66	0.71

Return on Equity

The table below provides reconciliation of our return on equity for the year / period indicated.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ Crores, except for percentages)				
Profit for the year/ profit for the period	535.06	435.02	515.90	203.15	209.51
Average shareholders' equity	4,008.54	4,499.60	4,929.31	4,777.31	5,165.90
Return on Equity (Profit for the year/ profit for the period / Average shareholders' equity)	13.35%	9.67%	10.47%	4.25%*	4.06%*

**Unannualized figures.*

Return on Capital Employed

The table below provides reconciliation of our return on capital employed for the year / period indicated:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ Crores, except for percentages)				
Profit before interest & tax	1,092.74	1,108.27	1,219.27	549.73	619.68
Average capital Employed	6,111.54	6,741.08	7,515.60	7,659.68	8,295.80
Return on Capital Employed (profit before interest & tax divided by average capital employed (i.e., equity attributable to owners of the Company plus net debt)	17.88%	16.44%	16.22%	7.18%*	7.47%*

**Unannualized figures.*

Net Debt (excluding secured loans – others) to EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net))

The table below provides reconciliation of Net Debt (excluding secured loans – others) to EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) for the year / period indicated:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ Crores, unless specified otherwise)				
Net Debt (excluding secured loans – others)	1,901.50	2,581.46	2,591.13	3,183.29	3,668.67
EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net))	1,169.67	1,369.54	1,628.57	753.18	817.15
Net Debt (excluding secured loans – others) to EBITDA	1.63	1.88	1.59	4.23*	4.49*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ Crores, unless specified otherwise)				
(excluding other income and Exceptional items - Gain / (Loss) (net)) (in times)					

**Unannualized figures.*

Net Profit Margin

The table below provides reconciliation of Net Profit Margin for the year / period indicated:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ Crores, unless specified otherwise)				
Profit for the year/ profit for the period (A)	535.06	435.02	515.90	203.15	209.51
Revenue from operations (B)	14,777.38	16,361.44	19,626.43	8,759.34	9,516.53
Net Profit Margin (C) = (A)/(B)	3.62%	2.66%	2.63%	2.32%	2.20%

RESULTS OF OPERATIONS

HALF YEARLY ENDED SEPTEMBER 30, 2024 COMPARED WITH HALF YEARLY ENDED SEPTEMBER 30, 2023

The following table sets forth certain information relating to our results of operations on a consolidated basis for the half year ended September 30, 2024 and half year ended September 30, 2023:

Particulars	For the half year ended September 30, 2024		For the half year ended September 30, 2023	
	(₹ Crores)	Percentage of total income	(₹ Crores)	Percentage of total income
Revenue from operations	9,516.53	99.59%	8,759.34	99.66%
Other income	39.04	0.41%	29.76	0.34%
Total income	9,555.57	100.00%	8,789.10	100.00%
Expenses				
Cost of materials consumed	3,660.90	38.31%	3,651.85	41.55%
Changes in inventories of finished goods and work-in-progress	(88.37)	(0.92)%	(62.99)	(0.72)%
Erection, sub-contracting & other project expenses	3,624.87	37.93%	3,020.27	34.36%
Employee benefits expenses	943.74	9.88%	823.10	9.37%
Finance costs	294.59	3.08%	252.28	2.87%
Depreciation and amortisation expenses	236.51	2.48%	233.21	2.65%
Other expenses	558.24	5.84%	573.93	6.53%
Total expenses	9,230.48	96.60%	8,491.65	96.62%
Profit before exceptional Items and tax	325.09	3.40%	297.45	3.38%
Share of profit/(loss) of Joint Ventures	-	-	-	-
Profit before exceptional Items and tax	325.09	3.40%	297.45	3.38%
Exceptional items	-	-	-	-
Profit before tax	325.09	3.40%	297.45	3.38%
Tax expenses				
Current tax	142.01	1.49%	95.20	1.08%
Deferred tax	(26.43)	(0.28)%	(0.90)	(0.01)%
Profit for the period	209.51	2.19%	203.15	2.31%

Total Income

Total income increased by 8.72% from ₹ 8,789.10 crores for the half year ended September 30, 2023 to ₹ 9,555.57 crores for the half year ended September 30, 2024 for the reasons discussed below.

Revenue from Operations

Revenue from operations increased by 8.64% from ₹ 8,759.34 crores for the half year ended September 30, 2023 to ₹ 9,516.53 crores for the half year ended September 30, 2024, primarily due to increase in income from EPC contracts from ₹ 8,406.50 crores for the half year ended September 30, 2023 to ₹ 9,098.09 crores for the half year ended September 30, 2024.

Other Income

Other income increased by 31.18 % from ₹ 29.76 crores for the half year ended September 30, 2023 to ₹ 39.04 crores for the half year ended September 30, 2024, primarily due to an increase gain on disposal of property, plant and equipments (net) from ₹ 2.02 crores for the half year ended September 30, 2023 to ₹ 14.58 crores for the half year ended September 30, 2024.

Total Expenses

Total expenses increased by 8.70% from ₹ 8,491.65 crores for the half year ended September 30, 2023 to ₹ 9,230.48 crores for the half year ended September 30, 2024, primarily due to increase in cost of materials consumed, erection, sub-contracting & other project expenses, employee benefits expenses, finance costs and depreciation and amortisation expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 0.25% from ₹ 3,651.85 crores for the half year ended September 30, 2023 to ₹ 3,660.90 crores for the half year ended September 30, 2024 on account of an increase in raw material (steel) cost from ₹ 347.13 crores for the half year ended September 30, 2023 to ₹ 522.76 crores for the half year ended September 30, 2024 which was partially offset by decrease in cost related to component and accessories from ₹ 1,151.62 crores for the half year ended September 30, 2023 to ₹ 1,005.26 crores for the half year ended September 30, 2024.

Changes in Inventories of Finished Goods and Work in Progress

Changes in inventory of finished goods and work in progress were ₹ (62.99) crores for the half year ended September 30, 2023 and ₹ (88.37) crores for the half year ended September 30, 2024.

Erection, sub-contracting & other project expenses

Erection, sub-contracting & other project expenses expense increased by 20.02% from ₹ 3,020.27 crores for the half year ended September 30, 2023 to ₹ 3,624.87 crores for the half year ended September 30, 2024, primarily due to project mix. Erection, sub-contracting and other project expenses mainly includes consumption of erection and construction materials and this varies quarter on quarter depending on the stage of the projects.

Employee Benefits Expenses

Employee benefits expense increased by 14.66% from ₹ 823.10 crores for the half year ended September 30, 2023 to ₹ 943.74 crores for the half year ended September 30, 2024, primarily due to increase in salaries, wages, bonus from ₹ 692.65 crores for the half year ended September 30, 2023 to ₹ 795.40 crores for the half year ended September 30, 2024.

Finance Costs

Finance costs increased by 16.77 % from ₹ 252.28 crores for the half year ended September 30, 2023 to ₹ 294.59 crores for the half year ended September 30, 2024, primarily due to increase in interest expenses from ₹ 242.56 crores for the half year ended September 30, 2023 to ₹ 259.85 crores for the half year ended September 30, 2024 and increase in other borrowing cost (including exchange rate variation) from ₹ 9.72 crores for the half year ended September 30, 2023 to ₹ 34.74 crores for the half year ended September 30, 2024.

Depreciation and Amortisation Expenses

Depreciation and amortisation expense increased by 1.42% from ₹ 233.21 crores for the half year ended September 30, 2023 to ₹ 236.51 crores for the half year ended September 30, 2024, primarily due to increase in capital expenditure.

Other Expenses

Other expenses decreased by 2.73% from ₹ 573.93 crores for the half year ended September 30, 2023 to ₹ 558.24 crores for the half year ended September 30, 2024, primarily related to gain on exchange rate variations of ₹ 74.48 crores for the half year ended September 30, 2024 crores as against loss on exchange rate variation of ₹ 33.29 crores for the half year ended September 30, 2023.

Profit before Tax

For the reasons discussed above, our profit before tax was ₹ 297.45 crores for the half year ended September 30, 2023, compared to ₹ 325.09 crores for the half year ended September 30, 2024.

Tax Expense

Current tax expenses increased by 49.17% from ₹ 95.20 crores for the half year ended September 30, 2023 to ₹ 142.01 crores for the half year ended September 30, 2024 while deferred tax charge increased from ₹ (0.90) crores for the half year ended September 30, 2023 to ₹ (26.43) crores for the half year ended September 30, 2024.

Profit for the Period

For the various reasons discussed above, we recorded a profit for the period of ₹ 209.51 crores for the half year ended September 30, 2024 as compared with ₹ 203.15 crores for the half year ended September 30, 2023.

FISCAL 2024 COMPARED WITH FISCAL 2023

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscals 2024 and 2023:

Particulars	**Fiscal 2024**		**Fiscal 2023**	
	(₹ crores)	**Percentage of Total Income**	**(₹ crores)**	**Percentage of Total Income**
Revenue from operations	19,626.43	99.68%	16,361.44	99.76%
Other income	63.99	0.32%	39.70	0.24%
Total income	**19,690.42**	**100.00%**	**16,401.14**	**100.00%**
Expenses				
Cost of materials consumed	8,187.39	41.58%	6,983.77	42.58%
Changes in inventories of finished goods and work in progress	17.71	0.09%	(13.46)	(0.08)%
Erection, sub-contracting and other project expenses	6,595.43	33.50%	5,413.50	33.01%
Employee benefits expenses	1,717.63	8.72%	1,446.88	8.82%
Finance costs	518.08	2.63%	466.75	2.85%
Depreciation and amortisation expenses	473.29	2.40%	391.75	2.39%
Expected credit losses provision for loans and advances given to JV	-	-	2.81	0.02%
Other expenses	1,479.70	7.51%	1,158.40	7.06%
Total expenses	**18,989.23**	**96.44%**	**15,850.40**	**96.64%**
Profit before share of profit / (loss) of joint venture and exceptional item	701.19	3.56%	550.74	3.36%
Share of profit / (loss) from joint venture	-	-	-	-
Profit before exceptional item and tax	**701.19**	**3.56%**	**550.74**	**3.36%**
Exceptional items - gain / (loss) (net)	-	-	90.78	0.55%
Profit before tax	**701.19**	**3.56%**	**641.52**	**3.91%**
Tax expenses				
Current tax	223.40	1.13%	265.64	1.62%
Deferred tax	(38.11)	(0.19)%	(59.14)	(0.36)%
Profit for the year	**515.90**	2.62%	**435.02**	2.65%

Total Income

Total income increased by 20.06% from ₹ 16,401.14 crores in Fiscal 2023 to ₹ 19,690.42 crores in Fiscal 2024 for the reasons discussed below.

Revenue from Operations

Revenue from operations increased by 19.96% from ₹ 16,361.44 crores in Fiscal 2023 to ₹ 19,626.43 crores in Fiscal 2024, primarily due to increase in income from EPC contracts from ₹ 15,060.31 crores in Fiscal 2023 to ₹ 18,778.42 crores in Fiscal 2024, increase in income from services from ₹ 300.42 crores in Fiscal 2023 to ₹ 348.88 crores in Fiscal 2024 and increase in income from sale of scrap from ₹ 113.74 crores in Fiscal 2023 to ₹ 139.29 crores in Fiscal 2024, which was partially offset by decrease in sale of products (tower parts & components) of ₹ 673.50 crores in Fiscal 2023 to ₹ 173.20 crores in Fiscal 2024 and decrease in sale of products (others) from ₹ 173.18 crores in Fiscal 2023 to ₹ 156.52 crores in Fiscal 2024.

Other Income

Other income increased by 61.18 % from ₹ 39.70 crores in Fiscal 2023 to ₹ 63.99 crores in Fiscal 2024, primarily due to an increase in interest income on financial assets carried at amortised cost (on fixed deposits) from ₹ 10.57 crores in Fiscal 2023 to ₹ 22.96 crores in Fiscal 2024, interest income on financial assets carried at amortised cost (others) from ₹ 5.85 crores in Fiscal 2023 to ₹ 13.35 crores in Fiscal 2024 and interest income on non-financial assets from ₹ 5.48 crores in Fiscal 2023 to ₹ 10.08 crores in Fiscal 2024.

Total Expenses

Total expenses increased by 19.80% from ₹ 15,850.40 crores in Fiscal 2023 to ₹ 18,989.23 crores in Fiscal 2024, primarily due to increase in cost of materials consumed, erection, sub-contracting and other project expenses, employee benefit expenses, finance costs, depreciation and amortization expense and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 17.23% from ₹ 6,983.77 crores in Fiscal 2023 to ₹ 8,187.39 crores in Fiscal 2024 on account of an increase in cost related to components & accessories, etc from ₹ 2,099.65 crores in Fiscal 2023 to ₹ 2,720.66 crores in Fiscal 2024, and an increase in cost related to construction materials from ₹ 3,897.07 crores in Fiscal 2023 to ₹ 4,436.37 crores in Fiscal 2024.

Changes in Inventories of Finished Goods, Work in Progress

Changes in inventory of finished goods, work in progress were ₹ (13.46) crores in Fiscal 2023 and ₹ 17.71 crores in Fiscal 2024.

Erection, sub-contracting & other project expenses

Erection, sub-contracting & other project expenses expense increased by 21.83% from ₹ 5,413.50 crores in Fiscal 2023 to ₹ 6,595.43 crores in Fiscal 2024, primarily due to project mix. Erection, sub-contracting & other project expenses mainly includes consumption of erection and construction materials and this varies quarter on quarter depending on the stage of the projects.

Employee Benefits Expenses

Employee benefits expense increased by 18.71% from ₹ 1,446.88 crores in Fiscal 2023 to ₹ 1,717.63 crores in Fiscal 2024, primarily due to increase in salaries, wages, bonus from ₹ 1,194.08 crores in Fiscal 2023 to ₹ 1,439.52 crores in Fiscal 2024 and contribution to provident and other funds from ₹ 159.98 crores in Fiscal 2023 to ₹ 185.13 crores in Fiscal 2024.

Finance Costs

Finance costs increased by 11.00% from ₹ 466.75 crores in Fiscal 2023 to ₹ 518.08 crores in Fiscal 2024, primarily due to interest expenses from ₹ 440.45 crores in Fiscal 2023 to ₹ 491.19 crores in Fiscal 2024.

Depreciation and Amortisation Expenses

Depreciation and amortisation expense increased by 20.81% from ₹ 391.75 crores in Fiscal 2023 to ₹ 473.29 crores in Fiscal 2024, primarily due to increase in depreciation on property, plant and equipment.

Expected credit losses provision for loans and advances given to JV

Expected credit losses provision for loans and advances given to JV was ₹ 2.81 crores in Fiscal 2023 to ₹ nil crores in Fiscal 2024.

Other Expenses

Other expenses decreased by 27.74% from ₹ 1,158.40 crores in Fiscal 2023 to ₹ 1,479.70 crores in Fiscal 2024, primarily due to increase in rent from ₹ 62.69 crores in Fiscal 2023 to ₹ 100.27 crores in Fiscal 2024, insurance from ₹ 59.21 crores in Fiscal 2023 to ₹ 85.81 crores in Fiscal 2024 and bank commission and charges (including ECGC premium) from ₹ 154.42 crores in Fiscal 2023 to ₹ 185.80 crores in Fiscal 2024.

Exceptional Items - Gain / (Loss) (Net)

Exceptional gain in Fiscal 2024 was ₹ Nil compared to ₹ 90.78 crores in Fiscal 2023.

Profit before Tax

For the reasons discussed above, our profit before tax was ₹ 641.52 crores in Fiscal 2023, compared to ₹ 701.19 crores in Fiscal 2024.

Tax Expenses

Current tax expenses decreased by 15.90% from ₹ 265.64 crores in Fiscal 2023 to ₹ 223.40 crores in Fiscal 2024. Deferred tax expenses increased from a deferred tax credit of ₹ (59.14) crores in Fiscal 2023 to ₹ (38.11) crores in Fiscal 2024.

Profit for the Year

For the various reasons discussed above, we recorded a profit for the year of ₹ 435.02 crores in Fiscal 2023 as compared with ₹ 515.90 crores in Fiscal 2024.

FISCAL 2023 COMPARED WITH FISCAL 2022

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscals 2022 and 2023:

Particulars	Fiscal 2022		Fiscal 2023	
	(₹ crores)	Percentage of total income	(₹ crores)	Percentage of total income
Revenue from operations	14,777.38	99.40%	16,361.44	99.76%
Other income	88.92	0.60%	39.70	0.24%
Total income	**14,866.30**	**100.00%**	**16,401.14**	**100.00%**
Expenses				
Cost of materials consumed	6,421.34	43.19%	6,983.77	42.58%
Changes in inventories of finished goods and work in progress	24.66	0.17%	(13.46)	(0.08)%
Erection, sub-contracting and other project expenses	4,693.16	31.57%	5,413.50	33.01%
Employee benefits expenses	1,299.08	8.74%	1,446.88	8.82%
Finance costs	396.33	2.67%	466.75	2.85%
Depreciation and amortisation expenses	350.78	2.36%	391.75	2.39%
Expected credit losses provision for loans and advances given to JV	95.26	0.64%	2.81	0.02%
Other expenses	1,054.32	7.09%	1,158.40	7.06%
Total expenses	**14,334.93**	**96.43%**	**15,850.40**	**96.64%**
Profit before share of profit / (loss) of joint venture and exceptional item	531.37	3.57%	550.74	3.36%

Particulars	Fiscal 2022		Fiscal 2023	
	(₹ crores)	Percentage of total income	(₹ crores)	Percentage of total income
Share of profit / (loss) from joint venture	(19.89)	(0.13)%	-	-
Profit before exceptional item and tax	511.48	3.44%	550.74	3.36%
Exceptional items - gain / (loss) (net)	184.93	1.24%	90.78	0.55%
Profit before tax	**696.41**	**4.68%**	**641.52**	**3.91%**
Tax expenses				
Current tax	191.59	1.29%	265.64	1.62%
Deferred tax	(30.24)	(0.20)%	(59.14)	(0.36)%
Profit for the year	**535.06**	3.60%	**435.02**	2.65%

Total Income

Total income increased by 10.32% from ₹ 14,866.30 crores in Fiscal 2022 to ₹ 16,401.14 crores in Fiscal 2023 for the reasons discussed below.

Revenue from Operations

Revenue from operations increased by 10.72% from ₹ 14,777.38 crores in Fiscal 2022 to ₹ 16,361.44 crores in Fiscal 2023, on account of an increase in sale of products (tower parts & components) from ₹ 583.16 crores in Fiscal 2022 to ₹ 673.50 crores in Fiscal 2023, increase in sale of products (others) from ₹ 131.58 crores in Fiscal 2022 to ₹ 173.18 crores in Fiscal 2023, increase in income from EPC contracts from ₹ 13,616.17 crores in Fiscal 2022 to ₹ 15,060.31 crores in Fiscal 2023, increase in income from services from ₹ 285.45 crores in Fiscal 2022 to ₹ 300.42 crores in Fiscal 2023, which was partially offset by decrease in sale of scrap from ₹ 141.98 crores in Fiscal 2022 to ₹ 113.74 crores in Fiscal 2023.

Other Income

Other income decreased from ₹ 88.92 crores in Fiscal 2022 to ₹ 39.70 crores in Fiscal 2023, primarily due to a decrease in interest income on financial assets at amortised cost (on loans) from ₹ 20.68 crores in Fiscal 2022 to ₹ 12.15 crores in Fiscal 2023 and liabilities written back from ₹ 21.67 crores in Fiscal 2022 to ₹ 0.57 crores in Fiscal 2023, and loss on disposal of property, plant and equipments (net) of ₹ 6.65 crores in Fiscal 2023 compared to gain on disposal of property, plant and equipments (net) of ₹ 18.61 crores in Fiscal 2022.

Total Expenses

Total expenses increased by 10.57% from ₹ 14,334.93 crores in Fiscal 2022 to ₹ 15,850.40 crores in Fiscal 2023, primarily due to an increase in cost of materials consumed, erection, sub-contracting and other project expenses, employee benefit expenses, depreciation and amortization expense, finance costs and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 8.76% from ₹ 6,421.34 crores in Fiscal 2022 to ₹ 6,983.77 crores in Fiscal 2023 on account of an increase in construction materials from ₹ 3,031.92 crores in Fiscal 2022 to ₹ 3,897.07 crores in Fiscal 2023 and raw materials (steel) from ₹ 775.84 crores in Fiscal 2022 to ₹ 788.27 crores in Fiscal 2023, which was partially offset by a decrease in expenses towards components & accessories, etc from ₹ 2,435.32 crores in Fiscal 2022 to ₹ 2,099.65 crores in Fiscal 2023.

Changes in Inventories of Finished Goods, Work in Progress

Changes in inventory of finished goods, work in progress were ₹ 24.66 crores in Fiscal 2022 and ₹ (13.46) crores in Fiscal 2023.

Erection, sub-contracting & other project expenses

Erection, sub-contracting & other project expenses expense increased by 15.35% from ₹ 4,693.16 crores in Fiscal 2022 to ₹ 5,413.50 crores in Fiscal 2023, primarily due to project mix. Erection, sub-contracting & other project expenses mainly includes consumption of erection and construction materials and this varies quarter on quarter depending on the stage of the projects.

Employee Benefits Expenses

Employee benefits expense increased by 11.38% from ₹ 1,299.08 crores in Fiscal 2022 to ₹ 1,446.88 crores in Fiscal 2023, primarily due to an increase in salaries, wages, bonus from ₹ 1,087.66 crores in Fiscal 2022 to ₹ 1,194.08 crores in Fiscal 2023, increase in contributions to provident and other funds from ₹ 130.14 crores in Fiscal 2022 to ₹ 159.98 crores and increase in employees' welfare expenses from ₹ 81.28 crores in Fiscal 2022 to ₹ 92.82 crores in Fiscal 2023.

Finance Costs

Finance costs increased by 17.77% from ₹ 396.33 crores in Fiscal 2022 to ₹ 466.75 crores in Fiscal 2023, primarily due to an increase in interest expenses from ₹ 384.44 crores in Fiscal 2022 to ₹ 440.45 crores in Fiscal 2023 and other borrowing costs from ₹ 9.33 crores in Fiscal 2022 to ₹ 18.22 crores in Fiscal 2023.

Depreciation and Amortisation Expenses

Depreciation and amortisation expense increased by 11.68% from ₹ 350.78 crores in Fiscal 2022 to ₹ 391.75 crores in Fiscal 2023, primarily due to increase in depreciation on property, plant and equipment.

Expected credit losses provision for loans and advances given to JV

Expected credit losses provision for loans and advances given to JV was ₹ 95.26 crores in Fiscal 2022 to ₹ 2.81 crores in Fiscal 2023.

Other Expenses

Other expenses increased by 9.87% from ₹ 1,054.32 crores in Fiscal 2022 to ₹ 1,158.4 crores in Fiscal 2023, primarily due to an increase bank commission and charges (including ECGC premium) from ₹ 125.66 crores in Fiscal 2022 to ₹ 154.42 crores in Fiscal 2023 and legal and professional expenses from ₹ 113.24 crores in Fiscal 2023 to ₹ 170.80 crores in Fiscal 2022.

Exceptional Items - Gain / (Loss) (Net)

Exceptional gain in Fiscal 2023 was ₹ 90.78 crores compared to ₹ 184.93 crores in Fiscal 2022.

Profit before Tax

For the reasons discussed above, our profit before tax was ₹ 696.41 crores in Fiscal 2022, compared to ₹ 641.52 crores in Fiscal 2023.

Tax Expenses

Current tax expenses increased from ₹ 191.59 crores in Fiscal 2022 to ₹ 265.64 crores in Fiscal 2023. Deferred tax expenses decreased from a deferred tax credit of ₹ (30.24) crores in Fiscal 2022 to a deferred tax credit of ₹ (59.14) crores in Fiscal 2023.

Profit for the Year

For the various reasons discussed above, we recorded a profit for the year of ₹ 435.02 crores in Fiscal 2023 as compared with ₹ 535.06 crores in Fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through internal accruals from our operations, raising capital and debt financing. From time to time, we may obtain loan facilities to finance our working capital requirements. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Indebtedness*" on page 175.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30,	
				2023	2024
	(₹ crores)				
Net cash generated from / (used in) operating activities	713.66	656.39	842.96	(95.23)	(393.15)
Net cash from / (used in) investing activities	(255.02)	(326.13)	(263.09)	(103.07)	(241.54)
Net cash from / (used in) financing activities	24.99	(437.88)	(524.04)	(233.41)	334.60
Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	-	3.37	(3.13)	0.50	(4.67)
Net increase / (decrease) in cash and cash equivalents	483.63	(104.25)	52.70	(431.21)	(304.76)
Cash and Cash Equivalents acquired in business combination	40.60	-	-	-	-
Opening cash and cash equivalents	537.53	1,061.76	957.51	957.51	1,010.21
Closing cash and cash equivalents	1,061.76	957.51	1,010.21	526.30	705.45

Operating Activities

Half year ended September 30, 2024

Net cash used in operating activities was ₹ (393.15) crores for the half year ended September 30, 2024. Our profit for the half year ended September 30, 2024 was ₹ 209.51 crores. Primary adjustments consisted of depreciation and amortization expense of ₹ 236.51 crores, finance costs of ₹ 294.59 crores and tax expenses of ₹ 115.58 crores.

Our operating profit before working capital changes was ₹ 857.11 crores. Primary adjustments consisted of trade and other receivables of ₹ (1,269.41) crores, inventories of ₹ (191.69) crores and trade and other payables of ₹ 318.56 crores.

Half year ended September 30, 2023

Net cash used in operating activities was ₹ (95.23) crores for the half year ended September 30, 2023. Our profit for the half year ended September 30, 2023 was ₹ 203.15 crores. Primary adjustments consisted of depreciation and amortization expense of ₹ 233.21 crores, finance costs of ₹ 252.28 crores and tax expenses of ₹ 94.30 crores.

Our operating profit before working capital changes was ₹ 749.76 crores. Primary adjustments consisted of trade and other receivables of ₹ (1,423.79) crores, inventories of ₹ (119.01) crores and trade and other payables of ₹ 894.33 crores.

Fiscal 2024

Net cash generated from operating activities was ₹ 842.96 crores in Fiscal 2024. Our profit for Fiscal 2024 was ₹ 515.90 crores. Primary adjustments consisted of depreciation and amortization expense of ₹ 473.29 crores, finance costs of ₹ 518.08 crores and tax expenses of ₹ 185.29 crores.

Our operating profit before working capital changes was ₹ 1,759.81 crores. Primary adjustments consisted of trade and other receivables of ₹ (2,486.27) crores, inventories of ₹ (124.87) crores and trade, other payables and provisions of ₹ 1,976.58 crores.

Fiscal 2023

Net cash generated from operating activities was ₹ 656.39 crores in Fiscal 2023. Our profit for Fiscal 2023 was ₹ 435.02 crores. Primary adjustments consisted of depreciation and amortization expense of ₹ 391.75 crores, finance costs of ₹ 466.75 crores and tax expenses of ₹ 206.50 crores.

Our operating profit before working capital changes was ₹ 1,472.88 crores. Primary adjustments consisted of trade and other receivables of ₹ (2,321.71) crores, inventories of ₹ (132.44) crores and trade, other payables and provisions of ₹ 1,864.60 crores.

Fiscal 2022

Net cash generated from operating activities was ₹ 713.66 crores in Fiscal 2022. Our profit for Fiscal 2022 was ₹ 535.06 crores. Primary adjustments consisted of depreciation and amortization expense of ₹ 350.78 crores, finance costs of ₹ 396.33 crores, tax expenses of ₹ 161.35 crores and gain on sale of subsidiary and joint venture (net) of ₹ (262.41) crores.

Our operating profit before working capital changes was ₹ 1,268.93 crores. Primary adjustments consisted of trade and other receivables of ₹ (950.18) crores, inventories of ₹ 13.50 crores and trade, other payables and provisions of ₹ 644.87 crores.

Investing Activities

Half year ended September 30, 2024

Net cash used in investing activities was ₹ (241.54) crores for the half year ended September 30, 2024, primarily on account of capital expenditure on property, plant and equipments & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) of ₹ (289.12) crores and loans given to others of ₹ (50.00) crores. It was partially offset by proceeds from disposal of property, plant and equipments of ₹ 46.81 crores and loans received back from others of ₹ 50.00 crores.

Half year ended September 30, 2023

Net cash used in investing activities was ₹ (103.07) crores for the half year ended September 30, 2023, primarily on account of capital expenditure on property, plant and equipments & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) of ₹ (107.26) crores and loans given to others of ₹ (45.89) crores. It was partially offset by interest received of ₹ 25.71 crores and deposits with banks (net) of ₹ 18.45 crores.

Fiscal 2024

Net cash used in investing activities was ₹ (263.09) crores in Fiscal 2024, primarily on account of capital expenditure on property, plant and equipments & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) of ₹ (351.58) crores and loans given to others of ₹ (45.00) crores. It was partially offset by interest received of ₹ 52.50 crores and proceeds from disposal of property, plant and equipment of ₹ 32.92 crores.

Fiscal 2023

Net cash used in investing activities was ₹ (326.13) crores in Fiscal 2023, primarily on account of capital expenditure on property, plant and equipments & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) of ₹ (771.48) crores. It was partially offset by proceeds from sale of subsidiary and joint venture (net) of ₹ 273.72 crores and interest received of ₹ 34.05 crores.

Fiscal 2022

Net cash used in investing activities was ₹ (255.02) crores in Fiscal 2022, primarily on account of capital expenditure on property, plant and equipments & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) of ₹ (308.10) crores, payment for acquisition of subsidiary of ₹ (62.24) crores and deposit with banks (net) of ₹ (125.02) crores. It was partially offset by proceeds from disposal of property, plant and equipment of ₹ 46.68 crores, proceeds from sale of subsidiary and joint venture (net) of ₹ 156.71 crores and interest received of ₹ 35.28 crores.

Financing Activities

Half year ended September 30, 2024

Net cash generated from financing activities was ₹ 334.60 crores for the half year ended September 30, 2024, primarily on account of net increase in short-term borrowings of ₹ 703.59 crores, proceeds from issue of non convertible debentures of ₹ 300.00 crores and proceeds from current/non current borrowings of ₹ 171.22 crores. This was partially offset by redemption of non convertible debentures of ₹ (223.00) crores, repayment of current/ non current borrowings of ₹ (159.94) crores and finance costs paid of ₹ (290.51) crores.

Half year ended September 30, 2023

Net cash used in financing activities was ₹ (233.41) crores for the half year ended September 30, 2023, primarily on account of redemption of non convertible debentures of ₹ (100.00) crores, repayment of current/ non current borrowings of ₹ (277.32) crores, finance costs paid of ₹ (250.56) crores and dividends paid of ₹ (113.71) crores. This was partially offset by proceeds from issue of non convertible debentures of ₹ 300.00 crores and net increase in short term borrowings of ₹ 225.24 crores.

Fiscal 2024

Net cash used in financing activities was ₹ (524.04) crores in Fiscal 2024, primarily on account of redemption of non convertible debentures of ₹ (225.00) crores, repayment of current/ non current borrowings of ₹ (441.35) crores, finance costs paid of ₹ (503.76) crores and dividends paid including tax thereon of ₹ (113.71) crores. This was partially offset by proceeds from issue of non convertible debentures of ₹ 600.00 crores and proceeds from current/ non current borrowings of ₹ 136.59 crores.

Fiscal 2023

Net cash used in financing activities was ₹ (437.88) crores in Fiscal 2023, primarily on account of redemption of non convertible debentures of ₹ (278.32) crores, repayment of current/ non current borrowings of ₹ (608.19) crores, finance costs paid of ₹ (491.69) crores and dividends paid including tax thereon of ₹ (96.77) crores. This was partially offset by proceeds from issue of non convertible debentures of ₹ 274.00 crores and proceeds from current/ non current borrowings of ₹ 227.76 crores.

Fiscal 2022

Net cash generated from financing activities was ₹ 24.99 crores in Fiscal 2022, primarily on account of net increase in short-term borrowings of ₹ 380.11 crores, proceeds from issue of non convertible debentures of ₹ 200.00 crores and proceeds from current/non current borrowings of ₹ 479.97 crores. This was partially offset by redemption of non convertible debentures of ₹ (233.33) crores, repayment of current/ non current borrowings of ₹ (313.15) crores and finance costs paid of ₹ (405.35) crores.

INDEBTEDNESS

As of September 30, 2024, we had total borrowings (consisting of current borrowing and non current borrowings) of ₹ 4,743.17 crores.

MATURITY PROFILE OF OUR FINANCIAL LIABILITIES

The table below provides details regarding the contractual maturities of significant liabilities as of March 31, 2024

Particulars	As of March 31, 2024 (₹ crores)		
	Less than 1 year	**More than 1 year**	**Total**
Trade payables	5,861.28	115.60	5,976.88
Borrowings	2,763.87	1,451.25	4,215.12
Other financial liabilities	990.63	474.63	1,465.26

CONTINGENT LIABILITIES

As of March 31, 2024, our contingent liabilities were as follows:

Particulars	Amount (₹ crores)
Bank guarantees	36.59
Claims against the group not acknowledged as debt	32.46
Demands by service tax/excise/income tax and other tax/revenue authorities, under disputes	140.58

For further information on our contingent liabilities, see "*Financial Information*" on page 284.

CAPITAL & OTHER COMMITMENTS

The following table sets forth capital and other commitments as on March 31, 2024:

Particulars	As at March 31, 2024 (₹ crores)
Estimated amount of contracts remaining to be executed for tangible capital assets and not provided for (net of advances)	210.69

For further information on our capital and other commitments, see "*Financial Information*" on page 284.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

CAPITAL EXPENDITURES

In Fiscal 2022, Fiscal 2023 and Fiscal 2024, our additions to property, plant and equipment were ₹ 282.74 crores, ₹ 680.98 crores and ₹ 427.66 crores, respectively. For further information, see "*Financial Information*" on page 284.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business, in accordance with the applicable laws. For further information relating to our related party transactions, see "*Related Party Transactions*" on page 41.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during Fiscals 2022, 2023 and 2024 and the half year ended September 30, 2023 and 2024.

INTEREST COVERAGE RATIO

The table sets forth details of the interest coverage ratio for the periods indicated:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024	For the half year ended September 30, 2024
Profit after tax for the year/period (A)	535.06	435.02	515.90	209.51
Add: Depreciation (B)	350.78	391.75	473.29	236.51
Add/(less): Loss / (Gain) on sale of fixed assets (C)	(18.61)	6.65	2.13	(14.58)
Add: Finance costs (D)	396.33	466.75	518.08	294.59
Operating Profit after tax (E)	1,263.56	1,300.17	1,509.40	726.03
Interest Service Coverage Ratio (F) = (E)/(D)	3.19	2.79	2.91	2.46

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to a variety of financial risks: market risk, credit risk and liquidity risk. Our focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on our financial performance. Our primary market risk is foreign exchange risk. Our Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market Risk

Our Company operates internationally and a major portion of the business is transacted in several currencies and consequently our Company is exposed to foreign exchange risk through our sales and services and purchases from overseas suppliers in various foreign currencies. Our 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 our Company's operations are affected as the rupee appreciates/depreciates against these currencies.

Credit Risk

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our 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.

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. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates.

Commodity Price Risk

Our Company is affected by the price volatility of certain commodities like Steel, Zinc, Copper and Aluminium. Our operating activities require the on-going purchase or continuous supply of these materials. Our Company holds derivative financial instruments such as commodity future contract to mitigate the risk of changes in Zinc, Copper and Aluminium prices.

TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT IN WHICH THE COMPANY OPERATED

Our 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.

Set forth below are details of our segment revenues in the years/ periods indicated:

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2023**	**For the year ended March 31, 2024**
	(₹ crores)		
EPC	14,358.83	15,882.86	19,147.81
Development Projects	212.80	271.80	279.99
Others	208.10	212.60	199.04

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2024
	(₹ crores)	
EPC	8,528.51	9,293.76
Development Projects	127.80	118.46
Others	103.32	122.96

NEW PRODUCTS OR BUSINESS SEGMENTS

We have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new products.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

KNOWN TRENDS OR UNCERTAINTIES

Other than as described in this Placement Document, particularly in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 42 and 150, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described elsewhere in the sections "*Risk Factors*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 42, 179 and 150, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

While revenues from any particular customer may vary between financial reporting periods depending on the nature and term of on-going contracts, historically we are not significantly dependent on single or a few customers. For details, see "*Risk Factors – 8. We derive a substantial portion of our revenues from a limited set of clients. Loss of such clients, or a significant reduction in purchases by such clients could adversely affect our business, results of operations and financial condition.*" on page 46.

SEASONALITY OF BUSINESS

Our business operations could be adversely affected by severe weather and inhospitable climate. Severe weather conditions may require us to evacuate personnel or curtail services, damage a portion of our fleet of equipment resulting in the suspension of operations, damage our facilities, prevent us from delivering materials to our jobsites in accordance with contract schedules, delay the completion of projects or generally reduce our productivity. See, "*Risk Factors – 23. Our operations are affected by weather conditions and seasonal factors and adverse weather conditions could affect our business and results of operations.*" on page 54.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See sections, "*Business*", "*Industry Overview*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Competition*" on pages 179, 90, 42 and 152, respectively.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this Placement Document and intimated to the Stock Exchanges pursuant to SEBI Listing Regulations, no circumstances have arisen since September 30, 2024, that could materially and adversely affect, the profitability of the Company, the value of its material assets, or ability to pay its material liabilities within the next 12 months.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 42, 284 and 150, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information as at and for the years ended March 31, 2022, March 31, 2023 and March 31, 2024 included herein is derived from our Audited Consolidated Financial Statements and the financial information for the half year ended September 30, 2023 and 2024 included herein is derived from our Unaudited Consolidated Financial Results included in this Placement Document. For further information, see "Financial Information" on page 284.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Power, buildings & factories, urban Infra, water, oil & gas and railway sectors in India" dated December 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL**"), appointed by us on November 5, 2024 and exclusively commissioned and paid for by us to enable investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. For more information, see "Risk Factors – 59. Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose." on page 67.*

Overview

We are an engineering, procurement and construction ("**EPC**") company with over four decades of industry experience, a global presence and the capabilities to provide EPC services across across six verticals: (i) power transmission and distribution, (ii) buildings and factories, (iii) water supply and irrigation, (iv) oil and gas, (v) urban infrastructure, and (vi) railways. We provide EPC services managing all aspects of project execution from conceptualizing to commissioning, including design, engineering, supply chain management, manufacturing, project management, construction and operations and maintenance. We have established a multi-national presence with a global reach in 75 countries and ongoing projects in over 30 countries, as of September 30, 2024.

We undertake the following key activities in each of our businesses:

- ***Power transmission and distribution (T&D):*** we are an integrated solutions provider for transmission lines and substations in India and international markets. We provide end-to-end solutions ranging from in-house designs, engineering, testing, procurement, fabrication, erection, installation, and commissioning of power transmission lines up to 1200 KV, substations up to 765 KV, air-insulated substation (AIS) and 400 KV gas insulated substations (GIS), solar EPC and underground cabling. We also operate tower testing station in India, capable of testing transmission tower up to 1,200 KV. Over the past few years, we have scaled-up our T&D business through improved capabilities and expanded global reach. Our order book for our power transmission and distribution business has grown from ₹11,080.98 crore as of March 31, 2022 to ₹22,268.86 crore as of September 30, 2024. Our T&D order book is well diversified across India, SAARC, Americas, Africa, Europe, Middle East, Commonwealth of Independent States ("**CIS**") and Asia-Pacific.

- ***Buildings and factories (B&F):*** we provide EPC services including design-built offerings for all types of building and factory projects catering to several sectors including healthcare, institutions, residential developments, townships, commercial ventures, industrial facilities, hospitality establishments, IT office spaces, data centers, airports, manufacturing plants and service sectors. We execute diverse projects encompassing comprehensive construction services including design, mechanical, electrical, procurement, supply, installation, testing, and commissioning. We believe our strong execution track record has helped us build a strong reputation as an EPC partner for large real estate developers. We are focusing on large design-build projects and expanding our presence in areas such as data centers, airports, and industrial plants. Our order book for our buildings and factories business has grown from ₹7,989.59 crore as of March 31, 2022 to ₹13,156.40 crore as of September 30, 2024.

- ***Water supply and irrigation:*** our EPC offerings encompass the full range of water infrastructure development, from conceptualization to execution and operations and maintenance. Our expertise lies in various water infrastructure projects such as the development of water networks, storage, construction of water treatment facilities, irrigation systems, and water linkage projects. We have built a strong order book in the water supply business, driven by Government of India's initiative to provide safe and adequate drinking water to individual households in rural areas. We are also exploring opportunities in new markets by leveraging our international presence. Our order book for our water supply and irrigation business has grown from ₹6,499.54 crore as of March 31, 2022 to ₹10,518.91 crore as of September 30, 2024.

- ***Oil and gas****:* we undertake EPC contracting for oil and gas cross-country pipelines, liquefied petroleum gas ("**LPG**") import and handling terminals, process plants, gas gathering and compressor stations, oil and gas field development, and petrochemicals. We have well-qualified design, engineering, procurement, planning and project control, construction and commissioning teams that provide end-to-end solutions to our customers. In Fiscal 2024, we secured a significant order for a gas pipeline in the Middle East, reflecting our capabilities in the oil and gas sector. Our order book for our oil and gas business has grown from ₹1,931.24 crore as of March 31, 2022 to ₹8,473.50 crore as of September 30, 2024.

- ***Urban infrastructure****:* we provide design and construction services across diverse sectors, including elevated metro systems, elevated corridors, flyovers, bridge structures, tunnels for metro rail, roadways and highways projects. We are strengthening our capabilities in the urban infrastructure space and have secured significant orders for elevated and underground metro rail projects in India. Our order book for our urban infrastructure business has remained steady from ₹2,649.15 crore as of March 31, 2022 to ₹2,643.83 crore as of September 30, 2024.

- ***Railways****:* we provide services for constructing railway infrastructure, which include various offerings such as railway electrification, track installation, earthwork, traction substations, bridge construction, station development, workshop establishment, signalling, and telecommunication installations. We are focusing on expanding our railways business internationally particularly in markets where we have a sizeable presence. Our order book for our railways business has grown from ₹2,610.66 crore as of March 31, 2022 to ₹3,569.51 crore as of September 30, 2024.

We operate two tower manufacturing plants located in Gandhinagar, Gujarat and Raipur, Chhattisgarh with an aggregate commissioned capacity of 240,000 MTPA. We undertake manufacturing of transmission towers, poles, railway structures, girders, formwork and scaffolding, as of September 30, 2024. We have exported our transmission towers to over 70 countries. We have different certifications as per ISO 9001:2015 (quality management systems), ISO 45001:2018 (occupational health and safety management systems), ISO 14001:2015 (environmental management systems) across different project sites, manufacturing plants and offices.

We have two biomass power plants in Rajasthan, India with a combined capacity of 15.8 MW. We utilise biomass as a fuel to produce clean energy. Additionally, our Subsidiary, Shree Shubham Logistics Limited, is engaged in providing end-to-end logistical solutions in the agricultural sector, spanning warehousing, cold storage, testing and certification and collateral management services. We have four road SPVs having toll-based road assets in India.

We have adopted sustainable business practices across our organization reflecting our commitment to environmental stewardship, social responsibility, human capital development and ethical business practices. Our commitment to sustainability includes our goals of carbon neutrality, water neutrality and circularity, which are centric to our daily operations. Our focus on sustainability has also won us the prestigious 'Best Zero Carbon Emission Initiative of the Year 2024' Award from UBS Forums for our outstanding efforts in the Transmission and Distribution Division (International).

As of September 30, 2024, we had an Order Book of ₹ 60,631.01 crore, of which 55.45% was from domestic customers, while 45.55% was from international customers. As of the same date, we had over 250 ongoing projects in over 30 countries.

We have an established track record of revenue growth and profitability over the last three Fiscals with our revenue from operations growing at a CAGR of 15.24% between Fiscals 2022 and 2024. The table below sets forth details of certain of our operating and financial metrics on a consolidated basis for the periods indicated:

Particulars	**As at/ for the year ended March 31, 2022**	**As at/ for the year ended March 31, 2023**	**As at/ for the year ended March 31, 2024**	**For the half year ended September 30, 2023**	**For the half year ended September 30, 2024**
	(₹ crore, unless otherwise stated)				
Order Book[(1)]	32,761.15	45,917.61	58,415.31	47,040.12	60,631.01
- India	19,657.10	27,453.14	32,098.13	28,120.14	33,619.07
- International	13,104.05	18,464.47	26,317.18	18,919.98	27,011.94
Revenue from operations	14,777.38	16,361.44	19,626.43	8,759.34	9,516.53
Profit for the year/period	535.06	435.02	515.90	203.15	209.51
Total borrowings (current borrowings plus non current borrowings)	3,708.94	3,682.46	3,909.20	3,870.97	4,743.17
Net Profit Margin[(2)]	3.62%	2.66%	2.63%	2.32%	2.20%
EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) [(3)]	1,169.67	1,369.54	1,628.57	753.18	817.15
EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin [(4)]	7.92%	8.37%	8.30%	8.60%	8.59%
Net Debt (excluding secured loans – others) *[(5)]*	1,901.50	2,581.46	2,591.13	3,183.29	3,668.67
Net Debt (excluding secured loans – others) to Equity Attributable to Owners of the Company (in times)[(6)]	0.44	0.55	0.5	0.66	0.71
Return on Equity[(7)(9)]	13.35%	9.67%	10.47%	4.25%*	4.06%*
Return on Capital Employed[(8)(9)]	17.88%	16.44%	16.22%	7.18%*	7.47%*

[(1)]Order Book is calculated as expected revenues from uncompleted portions of contracts.
[(2)]Net Profit Margin (%) is calculated as profit for the year/profit for the period as a percentage of revenue from operations.
[(3)] EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) is calculated as profit after tax plus tax expenses, depreciation and amortization expenses and finance cost, less other income and exception items – gain/ (loss) (net).
[(4)] EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) Margin is calculated as EBITDA (excluding other income and Exceptional items - Gain / (Loss) (net)) divided by revenue from operations.
[(5)] Net Debt (excluding secured loans – others) is calculated as long-term borrowings (excluding secured loans – others), short term borrowings and cash and bank balances (including fixed deposits).
[(6)] Net Debt (excluding secured loans – others) to Equity Attributable to Owners of the Company is calculated as Net Debt (excluding secured loans – others) divided by equity attributable to owners of the Company.
[(7)]Return on Equity is calculated as profit for the year/ profit for the period divided by average shareholder's equity.
[(8)]Return on Capital Employed is calculated as (profit before interest & tax divided by average capital employed (i.e., equity attributable to owners of the Company plus net debt).
[(9)]Return on Equity and Return on Capital Employed for the half year ended September 30, 2023 and September 30, 2024 are unannualised.

Industry Outlook

Power Transmission and Distribution

The power transmission sector in India has grown steadily in recent years, mainly due to the rising demand for electricity and the increasing capacity of power generation plants, particularly renewable energy plants. To service a large generation installed base, the estimated investment in the transmission sector is expected to cumulatively reach approximately ₹ 2.5 trillion to ₹ 3.5 trillion for Fiscal 2025-29. Investments in the sector are expected to be driven by the need for a robust and reliable transmission system to support continued generation additions and the strong push to the renewable energy sector as well as rural electrification. (*Source: CRISIL Report*)

The global power transmission and distribution market size is expected to reach USD 377 billion to USD 418 billion in 2029 compared to an estimated USD 295 billion to USD 320 billion registering a CAGR of 5.0% to 5.5% between 2024 and 2029. An increasing trend can be observed in investments made in renewable energy infrastructure since there is increasing focus on more sustainable & energy efficient sources. As RE sources become more competitive and popular, there is an increasing need for transmission infrastructure to transmit energy from its source to consumers. Greater focus on RE has shifted investment patterns from conventional T&D infrastructure to RE transmission infrastructure. Furthermore, the integration of RE sources into the grid requires the establishment of a new distribution infrastructure. Increasing multi-lateral power trade and requirement of cross border transmission lines for such power trade is expected to attract investments in the power transmission sector. (*Source: CRISIL Report*)

Buildings and Factories

The construction industry is one of the important sectors in India as it supports multiple upstream and downstream industries. The construction industry accounts for approximately 9% of India's gross domestic product (GDP) in constant prices as of fiscal 2024. Between fiscals 2025-29, the building construction sector is expected to see investments of ₹ 18 trillion to ₹ 19 trillion from an investment of ₹ 12.5 trillion to ₹ 13.5 trillion between Fiscals 2020-24 thereby showing a rise of 1.4 times. The residential segment forms the largest vertical within building construction, occupying 85% as of fiscal 2020-24 Based on an analysis of eight key sectors (automobiles, metals, textiles, paper, fertilisers, petrochemicals, oil and gas and cement) construction investment in the industrial sector is expected to reach ₹ 4.0 trillion to ₹ 5.0 trillion between Fiscal 2025-29, compared to ₹ 3.0 trillion to ₹ 4.0 trillion in Fiscal 2020-24. The rise in investment is projected due to inclusion of the PLI scheme in the capex investments of the industrial sector. Overall, industrial construction investments between Fiscal 2025-29 is expected to grow by 1.2 times of the investments over Fiscal 2020-24. (*Source: CRISIL Report*)

Water Supply and Irrigation

During Fiscal 2020-24, due to rise in investment expenditure across major agriculture states, coupled with central government focus on schemes such as Pradhan Mantri Krishi Sinchayee Yojana ("**PMKSY**"), accelerated irrigation benefits programme ("**AIBP**") and command area development and water management ("**CAD&WM**") Programme, the irrigation sector has attracted a total investment of ₹ 3.5 trillion to ₹ 4.5 trillion. In the future, an investment of ₹ 5 trillion to ₹ 6 trillion is estimated over the next five years between Fiscal 2025 and 2029, which is an increase of approximately 1.7 times over the past five years, owing to the push from state governments to increase irrigation penetration in states. In the case of water supply and sanitation, the growth is majorly poised by support from government through various schemes such as Swachh Bharat Mission ("**SBM**"), Jal Jeevan Mission ("**JJM**") and the National Mission for Clean Ganga ("**NMCG**"). In addition to these schemes such as Atal Mission for Rejuvenation and Urban Transformation ("**AMRUT**"), which focuses on development of water supply and sanitation facilities among others along the infrastructure growth in urban regions. Given these factors, the construction investments in water (Irrigation + WSS) are expected to grow by 1.7 times, from ₹ 6 trillion to 7 trillion during Fiscal 2020 and 2024 to ₹ 11 trillion to ₹ 12 trillion between Fiscal 2025 and 2029. (*Source: CRISIL Report*)

Oil and Gas

India's petroleum products pipeline network has been expanding significantly, with 13,652.5 km of authorized pipelines, of which 9,223 km are operational, and 4,341.5 km are under construction. With over 4,341.5 km of new pipelines under construction, significant projects like the Kandla–Gorakhpur pipeline (2,757 km) underscore India's push for long-distance connectivity, linking the western industrial corridor to the eastern and northern markets. As on September 30, 2024, PNGRB has authorized approximately 33,475 km length of Natural Gas Pipeline Network across the country. Out of this, 24,945 km length of natural gas pipelines including spur lines, are operational and a total of 10,805 km length of pipelines is under various stages of construction. The length of operational pipelines has increased from 21,715 kms on March 31, 2022 to 24,945 kms on June 30, 2024. (*Source: CRISIL Report*)

Urban Infrastructure

Investments in roads and highways are forecasted to nearly double over fiscals 2025-29 compared to fiscals 2020-24, reaching a total of ₹ 25 trillion to ₹ 27 trillion. Steady execution of national highway and high-value expressway projects will drive these investments. India's rapid urbanisation and population growth has created significant challenges, including traffic congestion and environmental pollution. However, the metro rail system has emerged as a reliable and sustainable transportation solution, providing efficient and eco-friendly travel options for urban residents. India's metro network is set to expand to 1,914 kms in the coming years with 969 Kms of under construction network in approximately 26 cities. As of fiscal 2024, India had 945 Kms of operational metro network. In India, the number of operational airports almost doubled over the past eight years. The growth is a result of the government's push to enhance airport and aviation infrastructure. As of June 2024, India has 137 operational airports compared with 102 airports in Fiscal 19 and 77 airports in Fiscal 16. Privatisation and greenfield airports to propel construction investments in airports to ₹ 420 billion to ₹ 440 billion in the next five years (*Source: CRISIL Report*)

From fiscal 2019 to fiscal 2024, the Indian data centre industry has seen a growth at CAGR of approximately 20% in terms of capacity. This growth can be attributed to factors such as growth in internet accessibility, surge in e-commerce adoption, rise in digital adoption, remote working, rise in OTT (over-the-top) consumption, etc. Going forward, the industry is expected to witness a CAGR of approximately 30% between fiscal 2024 and 2027. The growth is enabled by increasing consumption of data, 5G rollouts across India as well as advancement in technologies. (*Source: CRISIL Report*)

Railways

CRISIL MI&A consulting expects a 5% to 7% rise in investments in railways in Fiscal 2025 led by rise in budget allocation for railways, implementation of high value projects such as the Mumbai-Ahmedabad Bullet train, gaining traction in station redevelopment and completion of the freight corridor. Further, a construction capex of ₹ 6.7 trillion to ₹ 7.7 trillion is seen during Fiscal 2025-29 compared to 4.0 trillion to 5.0 trillion during Fiscal 2020-24 led by investments in network decongestion, dedicated freight corridors, high-speed trains, investment in newer avenues such as Vande Bharat trains and rising focus on station redevelopment program. The central government announced a capital outlay of ₹ 2.6 trillion for the Indian Railways in the Union Budget 2024-25. The rise is due to planned investments in the manufacture of 400 new generation Vande Bharat trains and development of 100 PM Gati Shakti cargo terminals for multimodal logistics. (*Source: CRISIL Report*)

Our Strengths

Well Diversified Business Model with Extensive Global Reach

Over the past decade, we have strategically focused on strengthening our core EPC business by improving our market position and EPC capabilities in diverse sectors and expanding our global reach. We have developed strong credentials and pre-qualifications for executing EPC projects of different sizes and varying degree of complexity. We currently operate in six diversified business verticals: (i) power transmission and distribution, (ii) buildings and factories, (iii) water supply and irrigation, (iv) oil and gas, (v) urban infrastructure, and (vi) railways.

As of September 30, 2024, we had an Order Book of ₹ 60,631.01 crore, which is well diversified across business verticals and geographies:

Business	Value (₹ crore)	% of Order Book
Power Transmission and Distribution	22,268.86	36.73%
Buildings and Factories	13,156.40	21.70%
Water Supply and Irrigation	10,518.91	17.35%
Oil and Gas	8,473.50	13.98%
Railways	3,569.51	5.88%
Urban Infrastructure	2,643.83	4.36%

Business	Value (₹ crore)	% of Order Book
Total	**60,631.01**	**100.00%**

We have a global reach having worked in 75 countries and we were executing projects in over 30 countries, as of September 30, 2024. We have established a local presence in key EPC markets by incorporating international subsidiaries including Linjemontage I Grastorp AB in Sweden, offering power supply solutions and services for electricity networks and Fasttel Engenharia S.A., which is headquartered in Brazil and its primary business areas include the EPC of substations, transmission lines and power distribution services.

We believe that our presence across diversified businesses and geographies has enabled us to increase our order book, revenues and achieve consistent profitability over the years. It has also positioned us in a better manner to cope with the cyclical nature of construction activity, take advantage of growth opportunities in more favourable environments and consolidate our presence in markets and countries with greater potential for stable growth. Our diversified businesses provide us flexibility to allocate resources to reduce risks associated with any particular industry segment, while benefiting from the synergies of operating in diverse but related businesses. We believe this also helps us to capitalize on emerging opportunities and maintain a competitive edge in an evolving market landscape.

Strong Capabilities and Track Record of Delivering Large EPC Projects

We have capabilities to manage all aspects of project execution from conceptualizing to commissioning, which include design, engineering, supply chain management, manufacturing, project management, construction and operations and maintenance. Over the years, we have designed and implemented complex infrastructure projects globally with better adaptability to diverse operating conditions, extensive fleet of equipment, large vendor base, better project and risk management, modern technologies and an experienced team. Our design and engineering teams combined with skilled project managers, and technical specialists help us with efficient project delivery.

We invest in the continuous development of our capabilities by adopting modern project management technologies, training and professional development and new construction technologies to ensure that we remain updated with the latest industry developments and meet the evolving needs of the EPC business.

Our operations are supported by our global supply chain network and strong relationships with suppliers, which we believe gives us a cost advantage and helps us win bids and repeat orders. We have worked across several geographies and varied terrains encompassing a diverse spectrum of projects. We have undertaken projects in new areas covering airports, underground metro, data centres and industrial plants. This has resulted in a steady growth in our order book and also helped us to enhance the scale of our operations and to create a strong business model. Further, the strategic amalgamation of JMC Projects (India) Limited ("**JMC**") with our Company has enhanced our ability to bid and secure large size civil projects in building and factories, water supply and urban infrastructure, strengthened our design and engineering capabilities, particularly, in civil, mechanical and structural areas, created synergies on operational aspects, improved productivity, optimised resource utilisation and bolstered our financial profile. Our successful integration of civil, engineering and design capabilities has enabled us to deliver and expand our operations both, in India and international markets.

Over the years, we have built noteworthy credentials and pre-qualifications for executing a wide range EPC projects across high growth potential infrastructure business with diverse set of complexities in different geographies, which has enabled us to increase our global reach and order book.

Customer Centric Approach with a Diversified Global Customer Base

We have a diversified global customer base and have worked in 75 countries across regions including the Americas, Africa, Middle East, Asia Pacific and Europe, as of September 30, 2024. We have built reputation and credibility among public and private sector clients, which include renowned companies in the power, energy, real estate and urban infrastructure sectors. Over the years, we have cultivated trust and long-term relationships with various domestic and international clients on back of our proactive approach, transparent communication and efficient delivery.

We maintain a well-diversified client base across industries and regions, thus minimizing the risks associated with client concentration. This approach ensures that no single client dominates our revenue streams, safeguarding against potential losses due to client attrition. This diversity provides significant protection from sector-specific downturns or regional challenges, keeping our revenue streams stable. We believe our customer centric approach has enabled us to develop strong customer relationships across the globe and we are committed to continuously improve their experience with our products and services. We undertake several initiatives to enhance customer satisfaction and proactively address their needs and concerns. By building strong relationships with our customers, we aim to foster trust and loyalty and lay the foundation for long-term relationships.

As of September 30, 2024, we had an Order Book of ₹ 60,631.01 crore, of which 55.45% was from domestic customers, while 45.55% was from international customers. As of September 30, 2024, we had over 250 ongoing projects in over 30 countries.

Track Record of Consistent Performance and Prudent Financial Profile

We believe that our performance is attributable to our focused approach on profitable growth, efficient working capital management, proactive project closure and strategic bidding. Over the past few years, we believe that our focus on efficient utilisation of resources has led to deliver revenue growth, consistent profitability, net working capital cycle and low finance cost as percentage of sales. The growth in our order book has also helped us deliver strong financial performance. For the half year ended September 30, 2024 and 2023 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, our consolidated revenue from operations was ₹9,516.53 crores, ₹8,759.34 crores, ₹19,626.43 crores, ₹16,361.44 crores and ₹14,777.38 crores, while our profit for the period/year was ₹ 209.51 crores, ₹203.15 crores, ₹515.90 crores, ₹435.02 crores and ₹535.06 crores, respectively.

Our financial strength is highlighted from a strong balance sheet, characterized by substantial net worth of ₹5,193.80 crores as of September 30, 2024. Our long-term facilities are currently rated as AA/Stable by CRISIL and India Ratings. We believe that our execution capabilities and robust financial performance helps us to present a strong credit profile to our lenders and provides alternatives sources of financing available to us.

We operate across six business verticals in India and international markets providing end-to-end EPC solutions and have created a distinct entrepreneurial structure within our organization. We invest significant management resources to ensure that we leverage existing inter-linkages between our businesses and are able to maximize the potential synergies amongst them. Our synergies across diverse businesses provide us with the ability to drive growth, optimize capital efficiency and maintain our competitive advantage. We also derive operational efficiencies by centralizing and sharing certain key functions across our businesses such as design and engineering, project management, procurement and supply chain management, finance, information technology and human resources.

Pursuant to the amalgamation of JMC with our Company which was effective from January 4, 2023, we have integrated our operations and derived synergies in resource and asset utilisation and movement across our operations, further improving our operational effectiveness. The amalgamation has enhanced our liquidity and help reduce our overall borrowing costs, enabling us to grow in a sustainable manner. We have been able to enhance our operational efficiencies through the efficient use and allocation of resources, streamlining operational processes and undertaking cost optimisation initiatives. It has also enabled us to expand our operations internationally, further diversify our revenue streams and reduce dependence on any single market or sector. Entering additional international markets has allowed us to leverage economies of scale, optimise production costs and access new technologies and talent pools. It has helped position us as a key EPC player globally, paving the way for potential collaboration and further expansion opportunities.

We strive to maintain prudent financial management practices to create a resilient and financially stable business model, which has allowed us to perform well in a competitive market. We consistently track several financial measures including our net working capital days (which are calculated as total current assets less total current liabilities divided by annual sales multiplied by 365 days). During Fiscal 2024, we met our target of maintaining our net working capital days below 100 and which stood at 99 days at standalone business level. We strive to optimize our working capital by the judicious monitoring of cash flows, faster project closures and focussing on projects that have better working capital terms. We also seek to manage our debt profile effectively and our Net Debt (excluding secured loans – others) to Equity Attributable to Owners of the Company (in times) was 0.44, 0.55 and 0.50 as of March 31, 2022, 2023 and 2024, while our Net Debt (excluding secured loans – others) to EBITDA (excluding other income and exceptional items - gain / (loss) (net)) (in times) was 1.63, 1.88 and 1.59 as of the same dates, respectively. We also track our finance costs which was ₹ 396.33 crores, ₹ 466.75 crores and ₹ 518.08 crores for the years ended March 31, 2022, March 31, 2023 and March 31, 2024 and our finance costs as a percentage of our revenue from operations was 2.68%, 2.85% and 2.64% for the years ended March 31, 2022, March 31, 2023 and March 31, 2024, respectively.

Focus on Sustainable Business Practices and Initiatives

We have adopted sustainable business practices across our organization reflecting our commitment to environmental stewardship, social responsibility, human capital development and ethical business practices. Our commitment to sustainability includes our goals of carbon neutrality, water neutrality and circularity, which are centric to our daily operations. We prioritise the use of ecofriendly materials, energy-efficient technologies, and sustainable construction practices in our projects. We seek to minimize resource consumption, reducing waste generation and by bringing waste materials to circular economy, we aim to make our projects economically viable while also being environmentally responsible. We have set a target for ourselves for full circular economy for construction and debris waste by 2035 by reusing and recycling materials, reducing waste and conserving resources.

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 implement sustainable business solutions that align with our sustainability objectives. Our focus lies on projects revolving around clean energy, mobility and water management, reflecting our commitment to environmental stewardship. We actively implement renewable energy solutions such as solar panels and wind power units along with rainwater harvesting systems. At our manufacturing plants, we use solar energy for certain of our energy requirements, thus aligning with our sustainability goals. We have also undertaken several energy management and efficiency initiatives including installing direct current motor fans at our sites, replacing power consuming conventional lights with energy efficient LED lights at all our projects, installing solar power panels at relevant and economically viable sites.

We have set a goal for ourselves to achieve carbon neutrality by 2040, reflecting our commitment to combat climate change and reduce our environmental impact. Our journey towards carbon neutrality commenced with a focused initiative within the international division of our power transmission and distribution business and encompasses various initiatives such as adoption of renewable energy sources available on-site, enhancing operational efficiency to reduce GHG emissions and sourcing sustainable materials for our operations. We have set up two biomass power plants in Rajasthan with an aggregate capacity of 15.8 MW and we use biomass as a fuel thereby reducing GHG emissions. At our manufacturing facilities and biomass plants, we have installed a sewage treatment plant and an effluent treatment plant to neutralise diluted acid byproducts. We have implemented zero liquid discharge systems at all our manufacturing plants. We have developed artificial ponds and implemented rainwater harvesting structures to conserve rainwater across our plants.

We have incorporated waste management plans into our project design process, which ensures that waste reduction, recycling and reuse initiatives are undertaken from the beginning. We implement waste segregation practices as standard procedure at our sites, facilitating proper sorting and segregation of different waste types to enable recycling and appropriate disposal.

Our focus on sustainability has also won the prestigious ‘Best Zero Carbon Emission Initiative of the Year 2024’ award from UBS Forums for our outstanding efforts in the Transmission and Distribution Division (International).

Strong Parentage and Experienced Management Team

Our Promoter and Non-Executive Chairman, Mr. Mofatraj P. Munot, has more than five decades of experience in real estate, property development, engineering and civil construction in India and overseas markets, along with our Promoter Director, Mr. Parag Munot, who has more than three decades of experience in real estate, and has played a pivotal role in the growth of our organisation. Our business is guided by their vision to be the foremost global player in all our business verticals by adhering to our core values of business ethics, customer centricity, pride, quality, respect and teamwork. Additionally, our senior management is guided by our experienced board of directors, which includes business experts and industry veterans.

We have a strong management team with extensive experience in the EPC industry and an established track record. Our senior management team includes Manish Mohnot, Shailendra Kumar Tripathi, Sanjay Dalmia, Amit Uplenchwar and Ram Patodia, all of whom have significant expertise in managing large size EPC projects combined with an in depth understanding of finance, commercial, procurement, risk management, quality assurance, tendering and business development functions. Our senior management has delivered noteworthy performance and have successfully delivered projects both, in India and international markets over the years.

Our Board of Directors is committed to implementing best practices of corporate governance and achieving a high level of transparency, with a focus on investors' best interests and the maximisation of shareholder value. Our Board of Directors collectively possess an effective mix of skills and attributes with significant business, operational, technology, finance, legal and investment experience in a diverse range of industries. Our management team has extensive experience in a variety of sectors, with a demonstrated ability to grow and diversify our business and innovate our services.

Our Strategies

Strengthening Our Position in the EPC business and Improving Our Core Capabilities

We intend to strengthen our position in the EPC business by improving our core capabilities and pre-qualifications. We intend to bid for larger projects and projects that are more complex in nature. For example, in our building and factories business, we intend to secure more of design-built complex EPC projects where we undertake the project from end-to-end. In our oil and gas business, we secured a large and prestigious oil and gas pipeline project in Saudi Arabia in Fiscal 2024, significantly enhancing our global EPC capabilities. Moving forward, we aim to expand our presence in our cross country pipeline and plant projects while broadening our range of services. We have also expanded our capabilities in sectors such as high-voltage direct current ("**HVDC**") transmission lines, substations, underground tunnelling, urban mobility, airports, international oil and gas projects, manufacturing, and data centres. Further, most of our businesses support our commitment to sustainable growth and the global shift toward decarbonization and energy transition. By aligning with global infrastructure and sustainability trends, we seek to enhance our diversified portfolio, reinforcing our position in the global EPC market.

We also intend to undertake additional backward integration initiatives to strengthen our capabilities and complement our existing EPC businesses. For example, in order to consolidate business operations, the boards of directors of Linjemontage Service Nordic AB and Linjemontage I Grastorp AB approved a merger, consolidating Linjemontage Service Nordic AB into Linjemontage I Grastorp AB. Further, while we manufacture transmission towers, railway structures, we recently started manufacturing girders, formwork and scaffoldings for use in captive projects and will continue to identify such opportunities in the future.

Expanding Our Geographic Reach and Establish a Local Presence in High-Growth EPC Markets

We intend to further diversify our operations geographically to expand our international reach as well as the scope of our service offerings. We seek to grow our business by investing in high growth areas within our existing businesses. For example, we have incorporated international subsidiaries and established a local presence in key EPC markets such as Sweden to offer power supply solutions and services for electricity networks and in Brazil for the EPC of substations, transmission lines and power distribution services. We will continue to identify such geographies that offer high growth opportunities in the future and set up a local presence there.

In our power transmission and distribution business, we intend to expand our operations in Europe, Africa and Latin American countries and upgrade our capabilities at our manufacturing facilities. Similarly, we intend to expand our other businesses in high growth markets. For example, we were awarded the EPC project to develop an international airport and housing project in the Maldives, gas pipeline project in Saudi, water pipeline projects in Asia and road projects in certain African countries.

We will also evaluate inorganic growth opportunities, in keeping with our strategy to grow our geographic reach and improve our execution capabilities. We may consider opportunities for inorganic growth, such as through acquisitions and strategic arrangements, if, among other things, they consolidate our market position in existing business verticals, achieve operating leverage in key markets by unlocking potential efficiency and synergy benefits, strengthen and expand our service offerings, enhance our depth of experience, knowledge-base and know-how and qualify us to bid for new projects.

Improve Our Operational and Financial Efficiency by Divesting our Non-Core Assets

We are dedicated to improving our operational and financial efficiency by bidding for value accretive projects, accelerating project closures, and focussing on efficient working capital management. This approach keeps us agile and scalable, enabling us to meet client needs with customized solutions and adapt quickly to market shifts. To optimize capital allocation, we actively monetize our non-core assets. For example, we sold our four power transmission assets in a phased manner over the last few years. Further, in the current Fiscal, we entered into an agreement to divest the road asset held by our wholly owned subsidiary, Vindhyachal Expressway Private Limited, which sale is subject to the receipt of relevant approvals and completion of certain conditions. These actions align with our objective to reduce consolidated debt, enhance profitability, and improve return ratios. Such initiatives will also enable us to focus on and further invest in our high growth core EPC businesses.

Focus on Driving Sustainable Growth through Innovation and Digital Transformation

We have a vision to innovate and digitize our operations and are dedicated to enhancing efficiency and ensuring timely project delivery. We are undertaking initiatives to expand our business and integrate sustainability into our operations through automation, digitalization, and a heightened focus on research and development. We are committed to optimising our processes through the adoption of modern innovations, including industrial internet of things, predictive maintenance, data-driven project management, drones and virtual reality. We are implementing digitalization by deploying technologies that facilitate real-time monitoring of our operations through central monitoring systems with real-time data inputs, comprehensive interactive dashboards and data analytics, enabling us to obtain valuable insights and enhance our decision-making processes. We believe that such initiatives will help drive productivity, enhance safety and boost our scalability, allowing us to quickly adapt to changing market demands.

BUSINESS OPERATIONS

Growth Journey

Year	Description
1981	Incorporated as HT Power Structures Private Limited
1984	Secured first EPC T&D contract
1995	Listed on BSE
1999	R&D Center (Tower Testing) commissioned at Gandhinagar, testing tower up to 800 kV
2000	Listed on NSE
2001	First international T&D turnkey contract
2003	Biomass plant at Padampur, Rajasthan
2004	Diversified into oil and gas business
2005	Acquisition of JMC Projects (India) Limited
2007	Acquisition of Shree Shubham Logistics Limited
2009	Forayed into urban infrastructure business
2010	• Diversified into railway business • Forayed into road BOOT projects
2011	First international railway project
2012	New production facility at Raipur, Chhattisgarh
2013	First international highway project
2015	Ventured into water business
2017	First international water project
2018	Global footprint expanded to over 50 countries
2019	Acquired majority stake in LMG in Sweden
2021	• First international housing project • Acquisition of 51% stake in Fasttel
2022	First international airport project
2023	• Completion of JMC merger with our Company • Company name changed from Kalpataru Power Transmission Limited to Kalpataru Projects International Limited • Completed 100% acquisition of Fasttel
2024	• Forayed into underground metro business • Large oil and gas pipeline order from Saudi Arabia's energy major for EPC works • Secured first domestic airport EPC project

Our Business Verticals

We provide EPC services across across six verticals: (i) power transmission and distribution, (ii) buildings and factories, (iii) water supply and irrigation, (iv) oil and gas, (v) urban infrastructure, and (vi) railways.

Power Transmission and Distribution

We provide end-to-end solutions ranging from in-house designs, engineering, testing, procurement, fabrication, erection, installation, and commissioning of power transmission lines up to 1200 KV, substations up to 765 KV, air insulated substations (AIS) and 400 KV gas insulated substations (GIS), and underground cabling. We also operate tower testing station in India, capable of testing transmission tower up to 1,200 KV. Over the past few years, we have scaled-up our T&D business through improved capabilities and expanded global reach. As of March 31, 2024, we have delivered more than 2.6 million tons of transmission towers globally, completed over 36,000 kilometres of transmission contracts, and tested more than 526 towers and had more than 100 in-house design engineers.

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

Buildings and Factories

We provide EPC services including design-built offerings for all types of building and factory projects catering to several sectors including healthcare, institutions, residential developments, townships, commercial ventures, industrial facilities, hospitality establishments, IT office spaces, data centers, airports, manufacturing plants and service sectors. We execute diverse projects encompassing comprehensive construction services including design, mechanical, electrical, procurement, supply, installation, testing, and commissioning. As of March 31, 2024, we had over 3,200 employees for executing projects under this vertical and were executing over 75 projects in India.

Wipro Campus, Hyderabad

HDFC Kolkata Office

Indian Institute of Technology, Tirupati

PGPX Campus, IIM Ahmedabad

Water Supply and Irrigation

Our EPC offerings encompass the full range of water infrastructure development, from conceptualization to execution and operations and maintenance. Our expertise lie in various water infrastructure projects such as the development of water networks, storage, construction of water treatment facilities, irrigation systems, and water linkage projects. As of March 31, 2024, we have completed more than 7.5 lakhs house service connections, installed over 6.3 lakhs water meters, laid over 19,000 kilometers of pipelines and were executing over 40 projects in India.

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

We undertake EPC contracting for oil and gas cross-country pipelines, liquefied petroleum gas ("**LPG**"), import and handling terminals, process plants, gas gathering and compressor stations, oil and gas field development, and petrochemicals. We have well-qualified design, engineering, procurement, planning and project control, construction and commissioning teams that provide end-to-end solutions to our customers. Since our inception, we have completed over 10,000 kilometers of pipelines and over 475 associated stations. As of March 31, 2024, we were executing over 19 projects in oil and gas pipelines and station development projects.

Pipeline Replacement Project for Ahmedabad

Mallavaram-Bhopal-Bhilwara-Vijaipur RFCL Connectivity Pipeline Project

Mehsana Bathinda Pipeline Project, Spread IV – GIGL, Rajasthan

Urban Infrastructure

We provide design and construction services across diverse sectors, including elevated metro systems, elevated corridors, flyovers, bridge structures, tunnels for metro rail, roadways and highways projects. As of March 31, 2024, we have executed over 2,500 lane kilometers of highways and constructed more than 22 kilometers of flyovers.


Ghatkopar Mankhurd Flyover, Mumbai


Madurai Chettikulam Flyover, Madurai

Railways

We provide services for constructing railway infrastructure, which include various offerings such as railway electrification, track installation, earthwork, traction substations, bridge construction, station development, workshop establishment, signalling, and telecommunication installations. As of March 31, 2024, we have electrified over 8,800 track kilometers of railway networks and had more than 700 employees for executing railway projects. Further, in Fiscal 2024, we commissioned a total of 155 kilometers of railway tracks.


Umdanagar Mahabubnagar Doubling Project


Madurai-Tuticorin Doubling Project


Palanpur-Samakhiali railway electrification project


Daliganj-Kasganj

Key Completed Projects

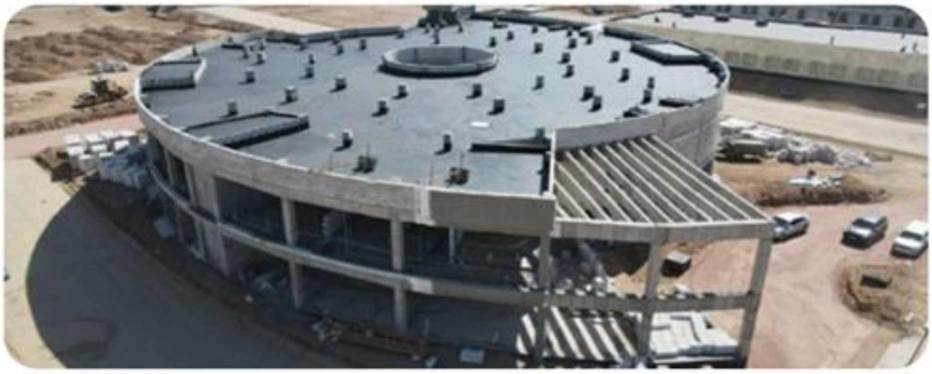
As of the date of this Placement Document, details of the key projects undertaken and completed by us are set forth below:

Hanimadhoo International Airport, Maldives

One of our key completed projects is the development of Hanimaadhoo International Airport in Maldives. This project highlights our expertise in airport infrastructure development. We constructed a runway compliant with 4C code aircraft operations, ensuring it can accommodate large aircraft for international flights. We also developed aprons and taxiways to support efficient aircraft movement.

Our scope also included the design and construction of the passenger terminal building, providing a modern and functional space for passengers. We erected an air traffic control tower to ensure safe and effective airport operations. Furthermore, we established cargo and workshop buildings to support the airport's logistical and maintenance needs, contributing to the airport's capacity to handle both passenger and cargo traffic efficiently.

Mongolia Refinery



Leveraging on our engineering expertise, the Mongolia Refinery project was designed to operate efficiently in extreme weather conditions. The refinery has been built to ensure sustainable performance, with a focus on improving visibility, reducing energy requirements, and enhancing aesthetic conditions. This project showcases our ability to deliver complex infrastructure solutions while addressing environmental challenges and operational efficiency in a demanding climate.

Project Life Cycle

With expertise across the entire EPC value chain, we ensure seamless project execution from conception to completion, reflecting our robust engineering, procurement, execution, and project management capabilities. A typical project life cycle comprises the following phases:

Tender Stage

Clients typically invite bidders through notifications which are published in public domains such as government websites and newspapers. Our business development team keeps track of such notifications. We have a dedicated tender department responsible for bidding. This department evaluates our credentials against the stipulated eligibility criteria. While we strive to meet these criteria independently, we sometimes form project-specific consortiums or joint ventures with other qualified contractors to enhance our chances of pre-qualifying and winning bids. Private clients are not required to publish tenders publicly and may seek competitive quotes or engage directly with contractors.

The tender department seeks necessary approvals from the respective business heads, considering factors such as project funding quality, geographic location, execution complexity, potential for additional work, project cost and profitability estimates, and our competitive advantage over other bidders. We then submit bids for the approved projects. Post-award, during execution, the tender department also ensures that contract terms and variations are enforced, protecting our company's interests and covering all variations.

Execution

We assign the project to a project leader and appoint a manager for execution. Initial activities include conducting preliminary works, preparing cost estimates, and enhancing profitability. Our execution team, in collaboration with finance teams, prepares a pre-start budget projecting financial milestone.

Our design team develops engineering solutions, occasionally with the assistance of external consultants. We identify in-house manufacturing for necessary items. Progress is monitored through regular reviews and daily reports. We undertake continuous improvement initiatives to standardize processes, reduce costs, and enhance productivity. We adopt new technologies to optimize labor and reduce wastage. We conduct regular management reviews to address challenges and review progress.

We close out the project by meeting all contractual outcomes and addressing any remaining tasks. We demobilize teams, equipment, and materials as per the plan. We prepare and submit a project completion report. We issue a completion certificate upon satisfactory closure of all tasks, marking the commencement of the defect liability period.

Manufacturing Facilities

The table sets forth details of our manufacturing plants located in Gandhinagar, Gujarat and Raipur, Chhattisgarh and biomass power plants located at Uniara, Rajasthan and Padampur, Rajasthan.

Sr. No.	Address of the Units	Owned / Leased	Owned / Leased By	Activity carried out at unit
1	Plot No. 101/3,102/A, 102/B, G.I.D.C. Estate Sector – 28, Gandhinagar - 382028, Gujarat	Leased	Gujarat Industrial Development Corporation	Manufacturing of steel structures and parts
2	Khasra No.-1778, 1779 ,Old Dhamtari road, Village - Khorpa, Block - Abhanpure District - Raipur (C.G.) , Pin-493661, Chhattisgarh	Owned	Kalpataru Projects International Limited	Manufacturing of steel structures and parts
3	Kalpataru Projects International Limited, Village-Khatoli, Tehsil-Uniara, District Tonk (Rajasthan)-304 024	Owned	Kalpataru Projects International Limited	Biomass Power Plant
4	Kalpataru Projects International Limited, Chak 27 BB, Tehsil, Padampur, Pin Code 335041	Owned	Kalpataru Projects International Limited	Biomass Power Plant

We have different certifications as per ISO 9001:2015 (quality management systems), ISO 45001:2018 (occupational health and safety management systems), ISO 14001:2015 (environmental management systems) across different project sites, manufacturing plants and offices.

Capacity and Capacity Utilization

The table below sets forth the installed capacity and capacity utilization information of our manufacturing facilities for the years/ periods indicated:

Manufacturing Facility Location	As of/ for the half year ended September 30, 2024			As of/ For the year ended								
				March 30, 2024			March 30, 2023			March 30, 2022		
	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization
				(in MT unless otherwise specified)								
Gandhinagar, Gujarat	96,000	36,275	75.57%	96,000	61,934	64.51%	96,000	59,226	61.69%	96,000	52,140	54.31%
Raipur, Chhattisgarh	1,44,000	44,372	61.63%	1,44,000	68,273	47.41%	1,44,000	59,942	41.63%	1,44,000	84,093	58.40%
Total	**2,40,000**	**80,647**	**67.2%**	**2,40,000**	**1,30,207**	**54.3%**	**2,40,000**	**1,19,168**	**49.7%**	**2,40,000**	**1,36,233**	**56.8%**

** As certified by Sandip B. Shah, Chartered Engineers pursuant to their certificate dated December 11, 2024.*

Note:

(1) Installed capacity represents the installed capacity as of the last date of the relevant Fiscal/period. The installed capacity is based on various assumptions and estimates, including standard relevant capacity calculation practice and capacity of other ancillary equipment installed at the relevant manufacturing plant.

(2) For Raipur Manufacturing Plant, the actual annual commissioned capacity is 1,44,000 M.T. whereas the approved capacity is 1,60,000 M.T.

(3) Capacity utilization for Fiscals 2022, 2023 and 2024 is calculated as actual production divided by installed capacity for the relevant Fiscal. The capacity utilization for the six months ended September 30, 2024 is calculated as actual production divided by installed capacity for the relevant period which has been adjusted pro rata for six months of the annual capacity for Fiscal 2024.

(4) The above data does not cover material purchased from/got processed from third parties.

The table below sets forth the installed capacity and capacity utilization information of our biomass plants for the years/ periods indicated:

Biomass Plant Location	Installed Capacity since Fiscal 2022 till September 30, 2024 (MW)	As of/ for the half year ended September 30, 2024			As of/ For the year ended								
					March 30, 2024			March 30, 2023			March 30, 2022		
		Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization
		(Units in crores unless otherwise specified)											
Biomass Plant at Padampur, Rajasthan	7.8	3.43	2.65	77.24%	6.85	5.50	80.26%	6.83	5.84	85.41%	6.83	5.52	80.78%
Biomass Plant at Uniara, Rajasthan	8	3.51	2.61	74.41%	7.03	5.97	84.92%	7.01	6.08	86.71%	7.01	5.28	75.28%
Total	**15.8**	**6.94**	**5.26**	**75.80%**	**13.88**	**11.47**	**82.62%**	**13.84**	**11.91**	**86.07%**	**13.84**	**10.79**	**77.99%**

** As certified by Sandip B. Shah, Chartered Engineers pursuant to their certificate dated December 11, 2024.*

Note:

(1) Installed capacity represents the installed capacity as of the last date of the relevant Fiscal/period. The installed capacity is based on various assumptions and estimates, including standard capacity calculation practice for biomass plants.

(2) Capacity utilization is calculated as actual production divided by maximum available production for the relevant Fiscal/ period.

Raw Materials

We primarily require steel and zinc, for manufacturing towers and require steel, cement, aluminium conductors, copper wire, fuel and other material for projects. We depend on external suppliers, and typically purchase materials on a purchase order basis. We prioritize vendor management with a focus on strong supplier relationships and regular assessments to maintain quality and reliability. We also employ efficient inventory management and digital procurement tools to streamline operations, enhance transparency, and optimize material availability.

Quality Management

We are focused on delivering quality outcomes while minimising the need for repairs and rework. To support this objective, we have incorporated Kaizen practices to foster a culture of continuous improvement across our operations. Additionally, our stores adhere to 5S practices, which help ensure efficient organisation and operational effectiveness.

Before initiating any project, we conduct thorough analyses to verify compliance with all relevant requirements, ensuring accuracy and precision in our work. We focus on revaluating and updating our quality management framework to ensure alignment with the evolving needs of our business, customers, and regulatory standards. Further, by investing in our people, we aim to ensure that our projects are delivered with the necessary quality and operational efficiency.

We have also received recognition for our safety practices, including the gold trophy award from the Quality Circle Forum of India, Surat chapter ("**QCFI**") for our case study presentation on "Involve and Enable People to Inculcate Safety Culture for making India a Global Leader" at the one-day National Safety Convention organized by QCFI, as well as an award from the Total Productive Maintenance Club India, Confederation of Indian Industry ("**TPM Club India**") in recognition of "our significant achievement in the journey towards manufacturing excellence". These recognitions reflect our ongoing efforts in and quality management.

Customers

Our major customers include private sector clients, government bodies and public sector undertakings across the water supply, oil and gas, transmission and distribution, building and factories, urban infrastructure, and railway sectors.

Human Resources

As of September 30, 2024, we had 8,841 permanent employees.

Diversity, inclusion, and equal opportunity are fundamental principles that guide our organizational culture and values. We are an equal-opportunity employer, making hiring decisions based on merit, regardless of gender, caste, religion, or other characteristics. In support of our commitment to diversity, we have implemented initiatives aimed at attracting, retaining, and developing members from underrepresented groups. We are dedicated to continuously increasing female representation across all levels of the organization through focused recruitment and support initiatives.

We invest in the professional development of our employees through a comprehensive learning programme that includes functional, technical, and leadership training. Additionally, our dedicated "Skill Development Academy" provides opportunities for skilling, upskilling, and reskilling, positioning our workforce for long-term success.

Information technology

We focus on driving innovation and digitalisation to create value for our stakeholders, leveraging advanced technologies such as industrial Internet of Things, drones, and virtual reality to enhance efficiency and project delivery. Committed to optimising processes, we invest in research and development to remain at the forefront of innovation. This commitment is reflected in our Knowledge Management Platform, Kalpa-Gyaan, which centralises project data, training resources, and insights from past projects, addressing challenges like the lack of a centralised system for knowledge sharing and difficulty accessing historical data. By fostering user adoption, this platform enhances competitive advantage, supports informed decision-making, and drives project execution efficiency, fostering continuous innovation within the organisation. Through these efforts, we aim to integrate sustainability into our operations while continuously enhancing capabilities through digitalisation and automation.

We efficiently and optimally utilize our resources, personnel, equipment, and finances through management information systems and tools. Our projects are supported by a variety of engineering software packages for design and engineering applications. Additionally, we rely on advanced software solutions for project management, document control, commercial and financial management, payroll, and databases.

Competition

We operate in competitive markets where we believe several factors influence competition, including customer relationships, technical expertise and differentiation, pricing, service delivery (including access to qualified personnel), local presence and content, service quality, and health, safety, and environmental standards. Financial strength, technical sophistication, and risk management capabilities are also key considerations. The level of competition varies across sectors, project sizes, and geographical regions.

We face competition from both international and domestic companies. While some international competitors may have greater financial resources and better access to capital, enabling them to compete more effectively on large-scale projects, we believe we can leverage our local expertise, established client relationships, and understanding of regional conditions to offer cost-effective solutions and better value propositions in many cases.

Occupational Health and Safety

Our commitment to environment, health, and safety ("**EHS**") is integrated into the organizational culture and operational practices. We implement a structured approach, guided by comprehensive policies and standard operating procedures, to ensure EHS considerations are incorporated at every level of our business activities. Our process includes regular EHS risk assessments, which help identify potential hazards and mitigate associated risks, thus protecting both employees and the wider community.

In line with our Occupational Health and Safety ("**OHS**") policy, we maintain a robust OHS management system across all operations. Employees are encouraged to report unsafe conditions via our toll-free number, supporting a transparent and accountable EHS culture.

Our company holds ISO certifications in ISO 9001:2015 for quality management systems and ISO 45001:2018 for occupational health and safety. These certifications reflect our adherence to recognized standards in safety, quality, and compliance.

The implementation of OHS initiatives follows a systematic three-pillar structure:

- *Monitoring and Measuring:* We gather and review project specific EHS data to monitor performance and assess compliance. We use a detailed EHS checklist for each project site and prepare a monthly EHS report covering aspects of employee safety, environment monitoring and compliance and occupational health.

- *Training and Development:* New employees receive induction training on EHS policies, and ongoing training is provided to contractors and project managers. We also conduct emergency response drills.

- *Incident Investigation:* A structured process is in place for investigating incidents, which includes a fast-track notification system, root cause analysis, and corrective action implementation.

These efforts contribute to a systematic approach aimed at minimizing risks and ensuring the safety and well-being of all employees. Regular risk assessments, training, and communication ensure that safety practices are consistently followed.

Corporate Social Responsibility and Environment, Social and Governance

Our CSR and ESG initiatives centre around healthcare, education and skilling, animal welfare and environment and need-based community development initiatives. In the years ended March 31, 2022, March 31, 2023 and March 31, 2024, our corporate social responsibility related expenses were ₹ 9.85 crores, ₹ 9.46 crores, ₹ 9.08 crores, respectively.

Our CSR initiatives include:

- *Healthcare – Project Kalpa AaRogya sEva ("**Project KARE**")*: Project KARE focuses on improving access to basic healthcare in underserved areas, offering subsidized medical services such as dispensaries, specialized OPD interventions, an MRI center, cataract surgeries, and initiatives for persons with disabilities, along with the donation of ambulances, menstrual health projects, and sanitation facilities to support marginalized communities in various regions across multiple States in India;

- *Education and skilling – Project Kalpa Vidya Kalpa Kaushal*: We have implemented various initiatives to support education. Our efforts focus on bridging the equity gap in education through digital smart classrooms, STEM promotion, computer labs, and enhancing learning environments. Additionally, we have constructed a school to accommodate increased enrollments and installed solar panels to reduce electricity costs. Teachers' training has played a key role in fostering sustainable educational improvements;

- *Animal welfare and environment – Project SAVIOUR*: We have supported animal welfare through partnerships with Trees of Life for Animals and the Federation of Animal Protection Organisations, rescuing and treating distressed animals, and promoting sustainable bovine conditions affecting cattle. Additionally, we have facilitated water access for villagers in Maharashtra through water harvesting solutions, solar-based clean drinking water systems, and rainwater harvesting, while also supporting livelihood sustainability for farmers and empowering women-led water committees; and

- *Need-based community development – Project Kalpa Gramodaya and Unnati Abhiyan*: Through the Kalpataru Foundation, we have constructed the Asmita Kendra community centre in Varawadi, Maharashtra, aimed at providing a space for celebrations, women's training, and community awareness.

We are committed to sustainable business practices, emphasizing environmental stewardship, social responsibility, human capital development, and ethical business practices. We use eco-friendly materials, energy-efficient technologies, and sustainable construction practices, aiming for a full circular economy for construction and debris waste by 2035. Our manufacturing plants utilize solar energy and have implemented various energy management initiatives. We aim to achieve carbon neutrality by 2040, with biomass power plants reducing GHG emissions and zero liquid discharge systems in place. Our waste management plans support recycling and reuse from project inception. Our sustainability efforts have earned have also won us the 'Best Zero Carbon Emission Initiative of the Year 2024' from UBS Forums for our outstanding efforts in the Transmission and Distribution Division (International). For details, see "- *Our Strengths – Focus on Sustainable Business Practices and Initiatives*" on page 186.

Insurance

Our operations are subject to various risks inherent to the EPC industry, as well as natural disasters, spread of communicable diseases, fire, burglary, acts of terrorism and other unforeseen events. We maintain a number of insurance policies to cover different risks related to our projects in accordance with the terms of our agreements and industry practices. Our insurance policies include fire insurance policies, credit and political risk insurance, project policy, directors and officers liability insurance, marine open inland and export policy, industrial all risk policy, terrorism policy, contractors' risk policy, premises pollution liability policy, material damage policy, third-party liability policy, risk, workers compensation policies and construction and erection all risk policies. For further details, see "*Risk Factors – 53. Our insurance coverage may not adequately protect us against all our losses or liabilities.*" on page 65.

Intellectual Property

We are permitted to use the mark 'Kalpataru' (both the word and the label) by Kalpataru Business Solutions Private Limited ("**KBSPL**") under a license agreement dated March 23, 2023 ("**License Agreement**"). As per the License Agreement, we are required to pay a fixed license fee of ₹ 10 crores per annum for a period of 5 years. Upon completion of period of 5 years, subject to renewal of License Agreement and on arm's length basis, the annual license fees shall not exceed 0.25% of our turnover subject to minimum license fee of ₹ 10 crores.

Further, as of September 30, 2024, we have registered 11 trademarks for the words "*JMC*" and "*JMC Projects (India) Limited*" and the mark , under classes 16, 19, 36 and 37. We have obtained registration certificates for these trademarks from the Trade Marks Registry, Government of India under the Trademarks Act, 1999. Further, under the Copyright Act, 1957, we have obtained a registration certificate for our "Transmission Line Reference Book".

See, also "*Risk Factors – 17. Any negative publicity relating to 'Kalpataru' brand could adversely affect our business prospects and financial performance.*" on page 51.

Properties

Our corporate office is located at Kalpataru Synergy, 7th Floor, Opp. Grand Hyatt, Santacruz (E), Mumbai – 400055, India and our registered office is located at Plot No. 101, Part-III, G.I.D.C. Estate, Sector - 28, Gandhinagar - 382 028, Gujarat, India, with both offices being on leased premises. In addition, we lease various premises in connection with our corporate, administrative or project-related functions. We typically lease various premises across India to facilitate our work at various project sites. These leases usually expire upon the completion of the relevant project.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, our Company shall have not less than three Directors and not more than 15 Directors.

As of the date of this Placement Document, our Board comprises of eight Directors, comprising two Executive Directors, two Non-Independent Non-Executive Directors and four Independent Directors, including one woman Director.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Sr. No.	Name, DIN, date of birth, occupation, term current period of directorship and address	Age (in years)	Designation
1.	**Mofatraj P. Munot** ***DIN:*** 00046905 ***Date of Birth:*** October 4, 1944 ***Occupation:*** Business ***Current term:*** For a period of five years from May 2, 2022, not liable to retire by rotation. ***Period of directorship:*** Since May 2, 2022 ***Address:*** Munot Villa, West Field Compound Lane, 63-K, Bhulabhai Desai Road, Behind Amarsons, Cumbala Hill, Mumbai – 400 026, Maharashtra, India	80	Chairman and Non-Executive Non-Independent Director
2.	**Parag M. Munot** ***DIN:*** 00136337 ***Date of Birth:*** June 2, 1969 ***Occupation:*** Business ***Current term:*** Since July 15, 2024, liable to retire by rotation* ***Period of directorship:*** Since September 30, 1991 ***Address:*** Munot Villa, 63-K, Westfield Lane, Bhulabhai Desai Road, Near Sahkari Bhandar Breach Candy, Cumballa Hill, Mumbai – 400 026, Maharashtra, India	55	Non-Executive Non-Independent Director
3.	**Manish Dashrathmal Mohnot** ***DIN:*** 01229696 ***Date of Birth:*** May 15, 1972 ***Occupation:*** Service ***Current term:*** For a period of five years with effect from April 1, 2020 to March 31, 2025, liable to retire by rotation. ***Period of directorship:*** Since November 1, 2006 ***Address:*** 701, Nandalaya Building Plot No. 20, NS Road No. 6, JVPD Scheme, Ville Parle West, Mumbai Suburban – 400 056, Maharashtra, India	52	Managing Director and Chief Executive Officer

Sr. No.	Name, DIN, date of birth, occupation, term current period of directorship and address	Age (in years)	Designation
4.	**Shailendra Kumar Tripathi** ***DIN:*** 03156123 ***Date of Birth:*** May 2, 1964 ***Occupation:*** Service ***Current term:*** With effect from January 4, 2023 to October 21, 2025, liable to retire by rotation. ***Period of directorship:*** Since January 4, 2023 ***Address:*** Plot No. D-10, Flat B-504, Express Green, Sector-44, Noida, Gautam Buddha Nagar, Uttar Pradesh – 201 301, India	60	Deputy Managing Director
5.	**Dhananjay N. Mungale** ***DIN:*** 00007563 ***Date of Birth:*** June 1, 1953 ***Occupation:*** Consultant ***Current term:*** For a period of five years with effect from April 1, 2024 to March 31, 2029, not liable to retire by rotation. ***Period of directorship:*** Since April 1, 2024 ***Address:*** A-10, Ameya Apartments, Near Kirti College, Dadar West, Bhawani Shankar, Mumbai – 400 028, Maharashtra, India	71	Non-Executive Independent Director
6.	**Bimal Manu Tanna** ***DIN:*** 06767157 ***Date of Birth:*** April 7, 1962 ***Occupation:*** Professional ***Current term:*** For a period of five years with effect from April 1, 2024 to March 31, 2029, not liable to retire by rotation. ***Period of directorship:*** Since April 1, 2024 ***Address:*** 503, Vikram, 19/29 Janki Kutir, Near Prithvi Theatre, Juhu, Mumbai – 400 049, Maharashtra, India	62	Non-Executive Independent Director
7.	**Anjali Seth** ***DIN:*** 05234352 ***Date of Birth:*** October 25, 1958 ***Occupation:*** Lawyer ***Current term:*** For a period of five years with effect from May 19, 2020 to May 18, 2025, not liable to retire by rotation. ***Period of directorship:*** Since May 19, 2017 ***Address:*** 1301 B, Wing Birchwood CHS, Hiranandani Gardens, Powai, Mumbai, Powai IIT – 400 076, Maharashtra, India	66	Non-Executive Independent Director

Sr. No.	Name, DIN, date of birth, occupation, term current period of directorship and address	Age (in years)	Designation
8.	**Dr. Shailendra Raj Mehta** ***DIN:*** 02132246 ***Date of Birth:*** July 9, 1959 ***Occupation:*** Economist ***Current term:*** For a period of five years with effect from August 3, 2021 to August 2, 2026, not liable to retire by rotation. ***Period of directorship:*** Since August 3, 2021 ***Address:*** G-12, South Extension Part 2, Delhi, 110049, Delhi, India	65	Non-Executive Independent Director

**In compliance with SEBI Listing Regulations and subject to determination by the Board pursuant to the Articles of Association of our Company.*

Relationship with other Directors

Except for Parag M. Munot, who is the son of Mofatraj P. Munot, none of the Directors of our Company are related to each other.

Remuneration of our Directors

Terms of appointment of our Executive Directors

Each of the Executive Directors of our Company are entitled to the following remuneration and perquisites:

Manish Dashrathmal Mohnot

Manish Dashrathmal Mohnot has been associated with our Company since November 1, 2006. He was last re-appointed as the Managing Director and Chief Executive Officer pursuant to the Board resolution dated March 4, 2020 and Shareholders resolution dated August 12, 2020 for a period of five years with effect from April 1, 2020 to March 31, 2025.

Further, pursuant to the resolution passed by our Board on May 20, 2020 and Shareholders on August 12, 2020, and last revised by the Board on May 8, 2024, Manish Dashrathmal Mohnot is entitled to the following remuneration and benefits:

Basic Salary and Allowances	(i) Basic salary of ₹ 17,50,000 per month (ii) Allowance of ₹ 24,15,000 per month (iii) Contribution to provident fund of ₹ 2,10,000 per month
Profit Linked Incentive/ Commission	Commission in addition to the basic salary, allowances, perquisites, calculated with reference to the net profits in a particular Financial Year, as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors within the limit stipulated under Section 197 and Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.
Perquisites	Perquisites that will be allowed are as under: (i) Medical Expenses: Reimbursement of medical expenses up to ₹ 15,000 per annum and premium on medical and/or health insurance policy (whether in India and/or abroad), for self and family as approved by the board from time to time (ii) Club fees: Membership fees of one club at Mumbai and one club at Ahmedabad (iii) Books/periodicals: Reimbursements up to ₹ 10,000 per annum (iv) Fee of professional bodies: Reimbursement up to ₹ 10,000 per annum (v) Gratuity will be payable as per the Payment of Gratuity Act, 1972 (vi) Company's car will be provided for use of Company's business (vii) Communication facilities at residence shall be provided for business related use at Company's expenses. Personal outstation calls shall be on personal account. (viii) Working hours/days and leaves (including leave encashment) would be as per Company's rules

Other Terms	In the event of loss or inadequacy of profits in any Financial Year, Manish Dashrathmal Mohnot shall be subject to requisite approvals, if any, be paid remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified above subject to the limits, if any, set out in Schedule V of the Companies Act, 2013, from time to time

Shailendra Kumar Tripathi

Shailendra Kumar Tripathi has been associated with our Company since January 4, 2023. He was appointed as the Deputy Managing Director of our Company pursuant to the Board resolution dated December 29, 2022 and Shareholders resolution dated March 16, 2023 with effect from January 4, 2023 to October 21, 2025.

Further, pursuant to the resolutions passed by our Board on December 29, 2022 and Shareholders on March 16, 2023, and last revised by the Board on May 8, 2024, Shailendra Kumar Tripathi is entitled to the following remuneration and benefits:

Basic Salary and Allowances	(i) Basic salary of ₹12,50,000 per month (ii) Other allowances/reimbursements of expenses of ₹17,15,267 per month (iii) Retirement benefits: ₹1,59,733 per month
Profit Linked Incentive/ Commission	Profit linked incentive/ commission in addition to the basic salary, allowances, perquisites, calculated with reference to the net profits in a particular Financial Year, as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors within the limit stipulated under Section 197 and Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof
Perquisites	Perquisites that will be allowed are as under: (i) Medical insurance: medical health insurance premium for self and family under mediclaim specified under Section 80D of the Income-tax Act, 1961 as per Company's rules (ii) Club fees: membership fees of one club at Mumbai (iii) Personal accident insurance: premium for group personal accident insurance (iv) Telephone at residence for business related use at Company's expense. Personal outstation calls shall be on personal account. (v) Working hours/ days and leaves (including leave encashment) would be as per Company's rules
Other Terms	In the event of loss or inadequacy of profits in any Financial Year, Shailendra Kumar Tripathi shall be subject to requisite approvals, if any, be paid remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified above subject to the limits, if any, set out in Schedule V of the Companies Act, 2013, from time to time

Remuneration to Non-Executive Directors

Sitting fees

Our Non-Executive Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committees. Pursuant to the Board resolution dated May 14, 2022, our Non-Executive Directors are entitled to sitting fees of ₹ 1,00,000 for attending each meeting of the Board, Audit Committee and Risk Management Committee of the Board and entitled to ₹ 25,000 for attending each meeting of Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee of the Board.

Commission

Pursuant to the Board resolution dated May 8, 2024, our Non-Executive Directors, namely, Mofatraj P. Munot, Parag M. Munot, Anjali Seth and Dr. Shailendra Raj Mehta were entitled to receive remuneration by way of a commission of ₹1,50,00,000, ₹2,25,00,000, ₹50,00,000 and ₹50,00,000 respectively, for the Year ended March 31, 2024 in addition to sitting fees within the limits as prescribed under the Companies Act, 2013.

The following table sets forth the details of sitting fees and commission paid by our Company to the present Non-Executive Independent Directors of our Company for the half year ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Sr. No.	Name of the Director	Sitting fees and commission (in ₹ crores) for			
		For the half year ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
1.	Dhananjay N. Mungale	0.06	-	-	-

Sr. No.	Name of the Director	Sitting fees and commission (in ₹ crores) for			
		For the half year ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
2.	Bimal Manu Tanna	0.07	-	-	-
3.	Anjali Seth	0.07	0.54	0.35	0.30
4.	Dr. Shailendra Raj Mehta	0.04	0.54	0.18	0.14

The following table sets forth the details of remuneration by way of sitting fees and commission paid by our Company to our present Non-Executive Non-Independent Directors for the half year ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Sr. No.	Name of the Non-Independent Non-Executive Director	Remuneration (in ₹ crores) for			
		For the half year ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
1.	Mofatraj P. Munot	0.07	1.60	1.62	11.38*
2.	Parag M. Munot	0.04	2.31	2.48	2.30

* *Remuneration received in capacity of an executive director up to cessation of this term in such capacity on March 31, 2022.*

Remuneration paid to Executive Directors

The following tables set forth the details of remuneration paid by our Company to the present Executive Directors of our Company for the half year ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Sr. No.	Name of the Executive Director	Remuneration (in ₹ crores) for			
		For the half year ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
1.	Manish Dashrathmal Mohnot	2.63	19.07	12.42	13.92
2.	Shailendra Kumar Tripathi	1.87	8.61	6.99*	-

* *Remuneration paid by the Company as well as erstwhile JMC Projects (India) Limited, which is now amalgamated with the Company.*

Shareholding of Directors

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Placement Document:

Sr. No.	Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Mofatraj P. Munot	Chairman and Non-Executive Non-Independent Director	1,63,43,218	10.06
2.	Parag M. Munot	Non-Executive Non-Independent Director	6,39,331	0.39

As on the date of this Placement Document, our Company does not have any employee stock option scheme.

Borrowing powers of our Board

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, the Board may, from time to time, at its discretion, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit. Pursuant to a resolution of the Board dated May 8, 2024, in accordance with Section 180 of the Companies Act, 2013, the Board is authorised to borrow up to an amount of ₹ 32,000.00 crores. Out of this borrowing limit, the money's to be borrowed for *inter alia* term loan, corporate loan, external commercial borrowings, foreign currency loans, project specific facilities (facilities covered under Section 180(1)(c) of the Companies Act) shall not exceed ₹ 5,000.00 crores.

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their remuneration, sitting fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of reimbursement of expenses payable to them, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Certain of our Directors may also be regarded as interested in Equity Shares held by them, if any, or that may be subscribed by and allotted to their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, and to the extent of any dividend payable to them and others distributions in respect of such Equity Shares. For further details, see "*Capital Structure*" on page 85.

Except, Mofatraj P. Munot and Parag M. Munot, none of our Directors have any interest in promotion or formation of our Company as on the date of this Placement Document.

Except as provided in *"Related Party Transactions"* on page 41, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Except as provided in *"Related Party Transactions"* on page 41, our Directors have no interest in any property acquired by our Company, or proposed to be acquired by our Company or in any transaction in the acquisition of land, construction of building and supply of machinery, etc.

Except as provided in *"Related Party Transactions"* on page 41, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Bonus or profit-sharing plan of the Directors

Except for the profit-linked incentive/ commission under appointment agreements entered into between our Company and Manish Dashrathmal Mohnot, and our Company and Shailendra Kumar Tripathi, each dated March 6, 2020 and March 27, 2023 respectively, as disclosed above in " – *Terms of appointment of our Executive Directors*", none of our Directors are party to any bonus or profit-sharing plan of our Company.

Service contracts with Directors

There are no service contracts entered into between any of our Directors and our Company for the provision of any benefits upon termination of employment.

Corporate governance

As on the date of this Placement Document, our Board comprises of eight directors, comprising two Executive Directors, two Non-Independent Non-Executive Directors and four Independent Directors, including one woman director.

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

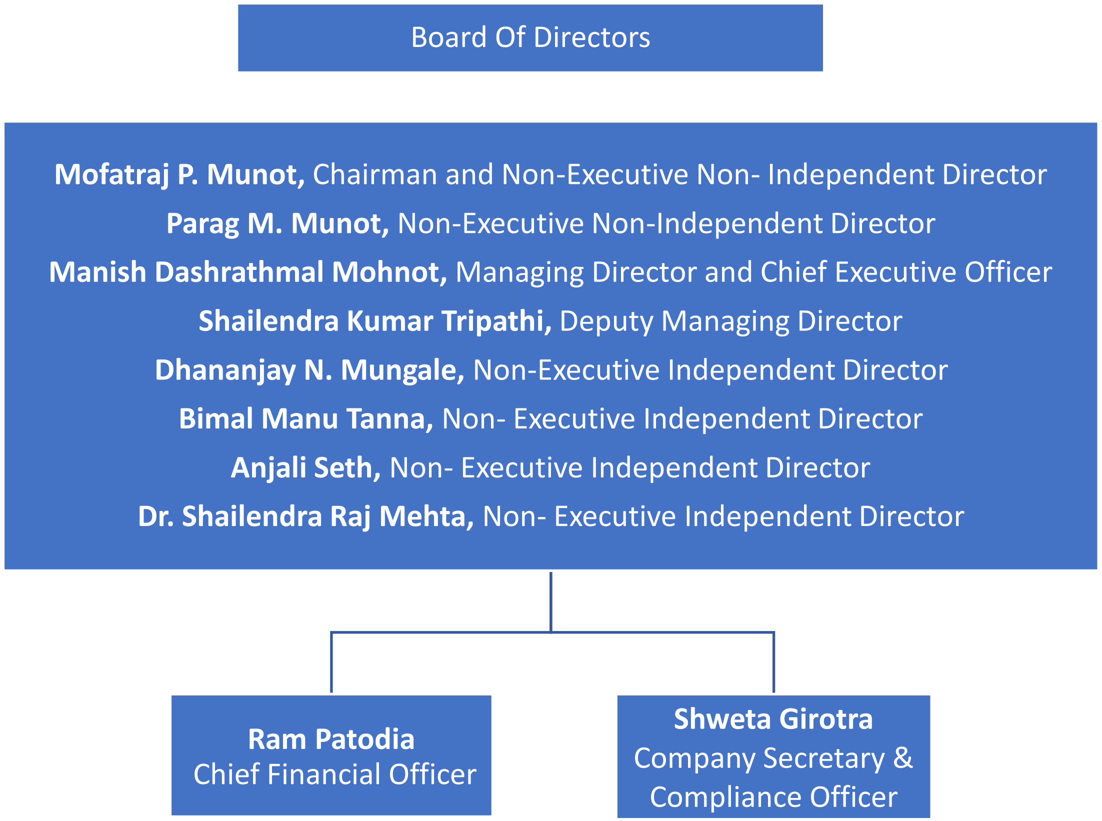
Sr. No.	Committee	Name and Designation of Members
1.	Audit Committee	(i) Dhananjay N. Mungale, chairperson (ii) Mofatraj P. Munot, member (iii) Bimal Manu Tanna, member (iv) Anjali Seth, member
2.	Nomination and Remuneration Committee	(i) Dhananjay N. Mungale, chairperson (ii) Parag M. Munot, member (iii) Anjali Seth, member
3.	Stakeholders Relationship Committee	(i) Anjali Seth, chairperson (ii) Parag M. Munot, member (iii) Manish Dashrathmal Mohnot, member
4.	Risk Management Committee	(i) Bimal Manu Tanna, chairperson (ii) Dr. Shailendra Raj Mehta, member (iii) Manish Dashrathmal Mohnot, member (iv) Shailendra Kumar Tripathi, member (v) Sanjay Dalmia, member (vi) Amit Uplenchwar, member (vii) Ram Patodia, member
5.	Corporate Social Responsibility Committee	(i) Dr. Shailendra Raj Mehta, chairperson (ii) Mofatraj P. Munot, member (iii) Parag M. Munot, member (iv) Manish Dashrathmal Mohnot, member

Prohibition by SEBI or other governmental authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority. None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

Organisational Structure

Set forth below is the organisational structure of our Company:



Key Managerial Personnel and Senior Management

In addition to the Managing Director and Chief Executive Officer, and Deputy Managing Director, the details of our Key Managerial Personnel in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Placement Document are set forth below:

Name	Designation
Ram Patodia	Chief Financial Officer
Shweta Girotra	Company Secretary and Compliance Officer

In addition to the Chief Financial Officer, and the Company Secretary and Compliance Officer, the details of the members of our Senior Management as on the date of this Placement Document are set forth below:

Name	Designation
Sanjay Dalmia	Executive director
Amit Uplenchwar	Director – Strategy Business Group
Kamal Kishore Jain	Director (Integrity) and Chief Ethics Officer
Ramesh Bhootra	Director, (Subsidiaries & Business Development – Transmission Line International)
M. A. Baraiya	Chief Human Resource Officer
Saugata Basu	Chief Digital and Information Officer
O.P. Pandey	Head, Water Supply and Irrigation Business
Shanthakumar G.M.	Head, Buildings & Factories (South India) Business
A.H. Khan	Head, Urban Infrastructure Business
S Sadasivam	Head, Buildings & Factories (North, East & West India) business
Hitendra Pooniwala	Head, Transmission and Distribution International Business
Nagender Kaushal	Head, Business Development International (Transmission Line International) business
Rajeev Dalela	Head, Transmission & Distribution India & SAARC
Jitendra Kumar Jain	Head, Railway business
Kumardevan Srinivasan	Head, Manufacturing Plants
Rajesh Kanade	Head, Civil International business

Relationship amongst our Key Managerial Personnel, Senior Management and Directors

None of our Key Managerial Personnel or members of Senior Management are related to each other or to the Directors of our Company.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Except as disclosed in *"- Terms of appointment of our Executive Directors"* on page 203 and variable pay which our Key Managerial Personnel or Senior Management are entitled to in accordance with the terms of their appointment, our Company does not have any bonus or profit-sharing plan with the Key Managerial Personnel or Senior Management.

Service Contracts with Key Managerial Personnel and Senior Management

There are no service contracts entered into between any of our Key Managerial Personnel or Senior Management and our Company for provision of any benefits upon termination of employment.

Interest of our Key Managerial Personnel and Senior Management

Other than as disclosed in the " – *Interest of our Directors*" on page 205, our Key Managerial Personnel and Senior Management do not have any interest in our Company other than to the extent of the remuneration, benefits or reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them or their dependents in our Company, if any. Our Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

All our Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

Except as disclosed in this Placement Document, none of our Key Managerial Personnel and members of Senior Management have been paid any consideration of any nature by our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and members of Senior Management were selected as member of senior management.

Shareholding of our Key Managerial Personnel and Senior Management

Except as disclosed above under "– *Shareholding of Directors*" and below, none of our Key Managerial Personnel and Senior Management hold Equity Shares in our Company as of the date of this Placement Document:

Sr. No.	Name of the Key Managerial Personnel / Senior Management	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Sanjay Dalmia	Executive director	28,600	0.02
2.	Kamal Kishore Jain	Director (Integrity) and Chief Ethics Officer	500	0.00
3.	Ramesh Bhootra	Director, (Subsidiaries and business development – transmission line international)	9,000	0.01
4.	M. A. Baraiya	Chief human resource officer	230	0.00
5.	Nagender Kaushal	Head, Business development international (transmission line international) business	50	0.00

Other Confirmations

1. Other than disclosed in this Placement Document, none of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company have any financial or other material interest in the Issue.

2. Our Promoters, Directors and Key Managerial Personnel or Senior Management will not participate in the Issue.

3. Neither our Company, nor any of our Directors or Promoters have been identified as a Wilful Defaulter or as a Fraudulent Borrower.

4. None of our Directors or Promoters have been declared as a Fugitive Economic Offender.

5. No change in control in our Company will occur consequent to the Issue.

6. No loans have been availed or extended by our Directors, Key Managerial Personnel or Senior Management from, or to, our Company.

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading. Our Company has implemented a "*Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders*" which has been last revised *vide* board resolution dated July 29, 2024, to be effective from September 20, 2024 and "*Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information*", last revised by the Board on October 28, 2024, to be effective immediately, in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three fiscals immediately preceding the date of this Placement Document, see "*Related Party Transactions*" on page 41.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was incorporated on April 23, 1981, as a private limited company under the Companies Act, 1956 under the name 'H. T. Power Structure Private Limited' pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company became a deemed public company with effect from March 30, 1993, in accordance with Section 43A(1A) of the Companies Act, 1956 and the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli to that effect. Subsequently, our Company was converted from a deemed public limited company to a public limited company and renamed as 'H. T. Power Structure Limited' pursuant to a special resolution passed by the shareholders of our Company on November 22, 1993 and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli to that effect. Further, the name of our Company was changed to 'Kalpataru Power Transmission Limited' pursuant to a special resolution passed by the shareholders of our Company on December 28, 1993 and a fresh certificate of incorporation dated January 4, 1994 was issued by RoC. Subsequently, the name was changed to the present name *viz*., 'Kalpataru Projects International Limited' pursuant to a special resolution passed by the shareholders of our Company on May 14, 2023 and a fresh certificate of incorporation dated May 22, 2023 was issued by RoC.

Our Company's CIN is L40100GJ1981PLC004281. The Corporate Office is situated at "Kalpataru Synergy", 7th Floor, Opp. Grand Hyatt Hotel, Vakola, Santacruz (East), Mumbai - 400 055, Maharashtra, India. The Registered Office of our Company is situated at Plot No. 101, Part-III, G.I.D.C Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India.

The registered office of our Company was initially situated at 'Brindavan', Hirabaug, Ambawadi, Ahmedabad-380 006, Gujarat, India. Thereafter, our Company shifted its registered office to Plot No. 101, Part-III, G.I.D.C Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India with effect from December 26, 1989 pursuant to a board resolution dated December 16, 1989 and shareholders resolution dated December 26, 1989.

Our Subsidiaries

As on date of this Placement Document, our Company has the following Subsidiaries, namely:

Direct Subsidiaries

(i) Adeshwar Infrabuild Limited*
(ii) Amber Real Estate Limited
(iii) Brij Bhoomi Expressway Private Limited
(iv) Energylink (India) Limited
(v) JMC Mining and Quarries Limited
(vi) Kalpataru IBN Omairah Company Limited
(vii) Kalpataru Metfab Private Limited
(viii) Kalpataru Power Chile SpA
(ix) Kalpataru Power Do Brasil Participacoes S.A.
(x) Kalpataru Power Senegal SARL
(xi) Kalpataru Power Transmission (Mauritius) Limited
(xii) Kalpataru Power Transmission Sweden AB
(xiii) Kalpataru Power Transmission USA Inc
(xiv) LLC Kalpataru Power Transmission Ukraine
(xv) Shree Shubham Logistics Limited
(xvi) Vindhyachal Expressway Private Limited
(xvii) Wainganga Expressway Private Limited

* *Adeshwar Infrabuild Limited is in the process of strike-off*

Indirect Subsidiaries

(i) Fasttel Engenharia S.A.
(ii) Kalpataru Power DMCC UAE

(iii) Linjemontage AS
(iv) Linjemontage I Grastorp AB
(v) Linjemontage Service Nordic AB
(vi) Punarvasu Financial Services Private Limited
(vii) Saicharan Properties Limited

As on the date of this Placement Document, our Company does not have any material subsidiary in terms of SEBI Listing Regulations.

Holding company

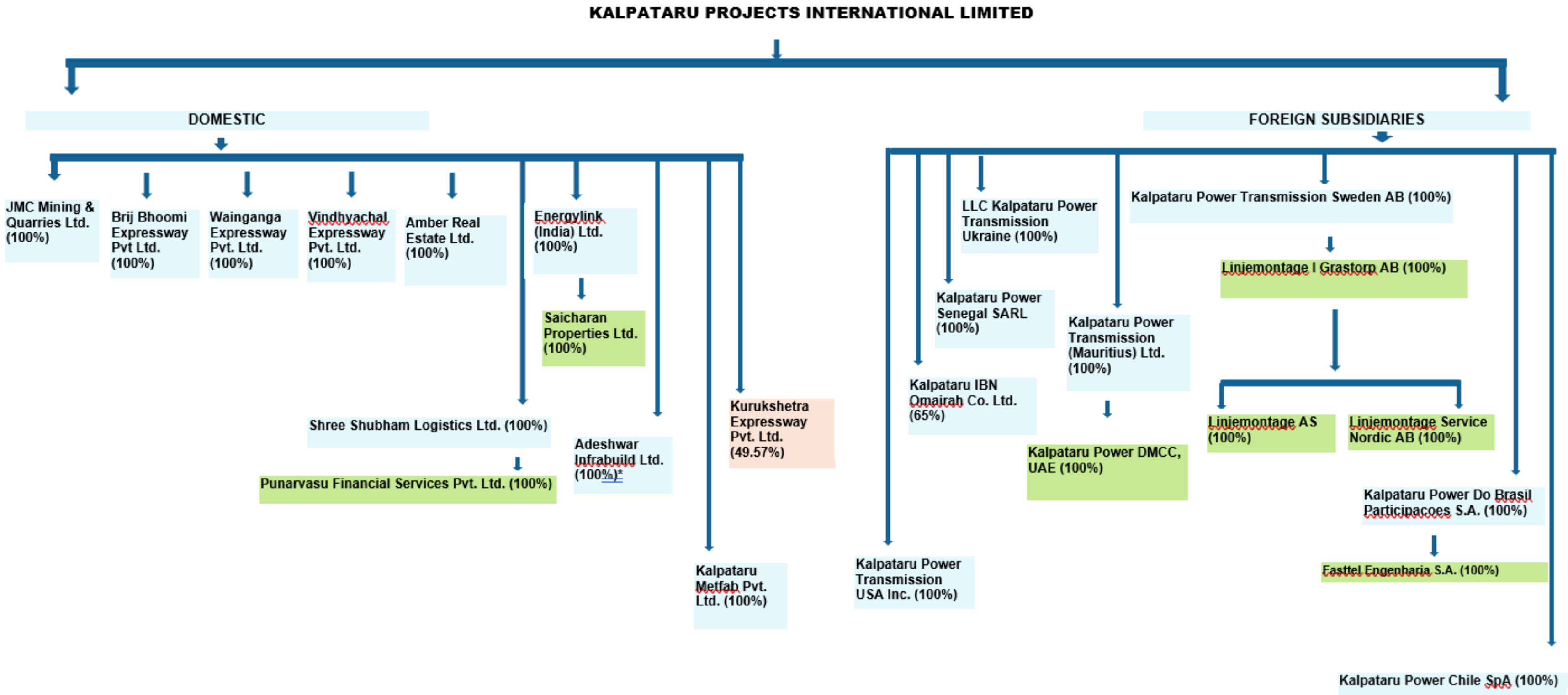
As on date of this Placement Document, our Company does not have any holding company.

Our Associate Companies and Joint Ventures

As on the date of this Placement Document, our Company has one joint venture, namely, Kurukshetra Expressway Private Limited and we have no associate companies.

Organisational Structure

The organizational structure of our Company as on date of this Placement Document is as follows:



*Adeshwar Infrabuild Limited is in the process of strike-off

	Subsidiaries
	Joint Venture
	Step-down subsidiaries

SHAREHOLDING PATTERN OF OUR COMPANY

The following table sets forth the details of the shareholding pattern of our Company, as on September 30, 2024:

Category of Shareholders	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of Shares held	Shareholding as a % of total no of shares (calculate as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of Total Voting right	No. of Shares pledged or otherwise encumbered: No.(a)	No. of Shares pledged or otherwise encumbered: As a % of total Shares held(b)	No. of equity shares held in dematerialized form	Sub-categorization of shares (XV): Shareholding (No. of shares) under: Sub Category I	Sub Category_II	SubCategory_III
(A) Promoter & Promoter Group	22	5,72,43,787	5,72,43,787	35.24	5,72,43,787	35.24	1,41,57,806	24.73	5,72,43,787	-	-	-
(B) Public	1,04,851	10,52,02,365	10,52,02,365	64.76	10,52,02,365	64.76		0.00	10,49,48,930	-	-	-
(C) Non-Promoter-Non- Public	-	-	-	-	-	-	-	-	-	-	-	-
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1,04,873**	**16,24,46,152**	**16,24,46,152**	**100.00**	**16,24,46,152**	**100.00**	**1,41,57,806**	**24.73**	**16,21,92,717**	**-**	**-**	**-**

Statement showing shareholding pattern of our Promoters and Promoter Group:

The following table sets forth the details in relation to the shareholding pattern of our Promoters and Promoter Group as on September 30, 2024:

Category of Shareholders	Entity type	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of Shares held	Shareholding as a % of total no of shares (calculate as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	Class eg: X	Total	
A1) Indian										
Individuals/Hindu undivided Family		14	2,01,38,056	2,01,38,056	12.40	2,01,38,056	12.40	-	0.00	2,01,38,056
Mofatraj P. Munot	Promoter	1	1,63,43,218	1,63,43,218	10.06	1,63,43,218	10.06	-	0.00	1,63,43,218
Parag Mofatraj Munot	Promoter	1	6,39,331	6,39,331	0.39	6,39,331	0.39	-	0.00	6,39,331
Tara Kanga	Promoter Group	1	17,37,990	17,37,990	1.07	17,37,990	1.07	-	0.00	17,37,990
Sudha Rajesh Golecha	Promoter Group	1	96,636	96,636	0.06	96,636	0.06	-	0.00	96,636
Sunita Vijay Choraria	Promoter Group	1	8,71,650	8,71,650	0.54	8,71,650	0.54	-	0.00	8,71,650
Yasmin Imtiaz Kanga	Promoter Group	1	3,00,000	3,00,000	0.18	3,00,000	0.18	-	0.00	3,00,000
Imtiaz Kanga	Promoter Group	1	1,00,000	1,00,000	0.06	1,00,000	0.06	-	0.00	1,00,000
Chandra Amar Munot	Promoter Group	1	10,000	10,000	0.01	10,000	0.01	-	0.00	10,000
Umang Rajesh Golechha	Promoter Group	1	9,106	9,106	0.01	9,106	0.01	-	0.00	9,106
Jash Choraria	Promoter Group	1	7,000	7,000	0.00	7,000	0.00	-	0.00	7,000
Khushali Yash Mandawewala	Promoter Group	1	7,000	7,000	0.00	7,000	0.00	-	0.00	7,000
Rajesh Bhagchand Golechha	Promoter Group	1	7,000	7,000	0.00	7,000	0.00	-	0.00	7,000
Vijay K Choraria	Promoter Group	1	7,000	7,000	0.00	7,000	0.00	-	0.00	7,000
Rajesh B Golechha Huf	Promoter Group	1	2,125	2,125	0.00	2,215	0.00	-	0.00	2,125
Any Other (specify)		8	3,71,05,731	3,71,05,731	22.84	3,71,05,731	22.84	1,41,57,806	38.16	3,71,05,731
Mofatraj P. Munot (Shares held by Mofatraj Munot as one of the Trustee of Aaryaveer Benefit Trust)	Promoter Group	1	7,77,000	7,77,000	0.48	7,77,000	0.48	-	0.00	7,77,000
Mofatraj P. Munot (Shares held by Mofatraj P. Munot as one of the Trustee of Shubhika Benefit Trust)	Promoter Group	1	7,77,000	7,77,000	0.48	7,77,000	0.48	-	0.00	7,77,000
Mofatraj P. Munot (Shares held by Mofatraj P. Munot	Promoter Group	1	7,77,000	7,77,000	0.48	7,77,000	0.48	-	0.00	7,77,000

Category of Shareholders	Entity type	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of Shares held	Shareholding as a % of total no of shares (calculate as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	Class eg: X	Total	
as one of the Trustee of Saachi Benefit Trust)										
Mofatraj P. Munot (Shares held by Mofatraj P. Munot as one of the Trustee of MPM Family Trust)	Promoter Group	1	500	500	0.00	500	0.00	-	0.00	500
K C Holdings Pvt Ltd	Promoter Group	1	2,07,76,884	2,07,76,884	12.79	2,07,76,884	12.79	69,52,841	33.46	2,07,76,884
Kalpataru Constructions Private Limited	Promoter Group	1	1,36,54,347	1,36,54,347	8.41	1,36,54,347	8.41	72,04,965	52.77	1,36,54,347
Kalpataru Holdings Pvt Ltd	Promoter Group	1	3,33,000	3,33,000	0.20	3,33,000	0.20	-	0.00	3,33,000
Kalpatru Viniyog Llp	Promoter Group	1	10,000	10,000	0.01	10,000	0.01	-	0.00	10,000
Kalpataru Properties Pvt Ltd	Promoter Group	-	-	-	0.00	-	0.00	-	0.00	
Sub Total A1		**22**	**5,72,43,787**	**5,72,43,787**	**35.24**	**5,72,43,787**	**35.24**	**1,41,57,806**	**24.73**	**57,243,787**
A2) Foreign		-	-	-	0.00	-	0.00	-	0.00	
A=A1+A2		**22**	**5,72,43,787**	**5,72,43,787**	**35.24**	**5,72,43,787**	**35.24**	**1,41,57,806**	**24.73**	**57,243,787**

Statement showing shareholding pattern of the public shareholder:

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of Shares Shareholding (No. of Shares) under Sub Category I	Sub Category II	Sub Category III
B1	**Institutions**	0	0	-	0.00	-	0.00	-	-	-	-
B2	**Institutions (Domestic)**	0	0	-	0.00	-	0.00	-	-	-	-
	Mutual Funds/	21	6,81,09,860	6,81,09,860	41.93	6,81,09,860	41.93	6,81,09,860	-	-	-
	Mirae Asset Large Cap Fund	1	21,36,828	21,36,828	1.32	21,36,828	1.32	21,36,828	-	-	-
	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	1	32,91,505	32,91,505	2.03	32,91,505	2.03	32,91,505	-	-	-
	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	1	39,08,986	39,08,986	2.41	39,08,986	2.41	39,08,986	-	-	-
	Kotak Small Cap Fund	1	1,05,43,804	1,05,43,804	6.49	1,05,43,804	6.49	1,05,43,804	-	-	-
	HDFC Small Cap Fund	1	1,34,02,153	1,34,02,153	8.25	1,34,02,153	8.25	1,34,02,153	-	-	-
	SBI Small Cap Fund	1	1,53,03,090	1,53,03,090	9.42	1,53,03,090	9.42	1,53,03,090	-	-	-
	ICICI Prudential Equity & Debt Fund	1	1,53,60,639	1,53,60,639	9.46	1,53,60,639	9.46	1,53,60,639	-	-	-
	Alternate Investment Funds	14	21,78,785	2,178,785	1.34	21,78,785	1.34	21,78,785	-	-	-
	Insurance Companies	7	43,19,484	43,19,484	2.66	43,19,484	2.66	43,19,484	-	-	-
	ICICI Prudential Life Insurance Company Limited	1	19,27,048	19,27,048	1.19	19,27,048	1.19	19,27,048	-	-	-

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of Shares Shareholding (No. of Shares) under		
									Sub Category I	Sub Category II	Sub Category III
	NBFCs registered with RBI	1	1,250	1,250	0.00	1,250	0.00	1,250	-	-	-
	Sub-Total B1	**43**	**7,46,09,379**	**7,46,09,379**	**45.93**	**7,46,09,379**	**45.93**	**7,46,09,379**	-	-	-
B3	**Institutions (Foreign)**	0	0	-	0.00	-	0.00	-	-	-	-
	Foreign Portfolio Investors Category-I	160	1,68,21,444	1,68,21,444	10.36	1,68,21,444	10.36	1,68,21,444	-	-	-
	Foreign Portfolio Investors Category-II	11	5,69,466	5,69,466	0.35	5,69,466	0.35	5,69,466	-	-	-
	Sub-Total B2	**171**	**1,73,90,910**	**1,73,90,910**	**10.71**	**1,73,90,910**	**10.71**	**1,73,90,910**	-	-	-
B4	**Central Government/ State Government(s)/ President of India**	0	0	-	0.00	-	0.00	-	-	-	-
B5	**Non-Institutions**	0	0	-	0.00	-	0.00	-	-	-	-
	Directors and their relatives (excluding independent directors and nominee directors)	2	1,722	1,722	0.00	1,722	0.00	1,722	-	-	-
	Investor Education and Protection Fund (IEPF)	1	1,88,446	1,88,446	0.12	1,88,446	0.12	1,88,446	-	-	-
	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	99,862	1,02,60,976	1,02,60,976	6.32	1,02,60,976	6.32	1,00,08,541	-	-	-

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of Shares Shareholding (No. of Shares) under Sub Category I	Sub Category II	Sub Category III
	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	2	2,25,214	2,25,214	0.14	2,25,214	0.14	2,25,214	-	-	-
	Non-Resident Indians (NRIs)	2,770	10,98,826	10,98,826	0.68	10,98,826	0.68	10,98,826	-	-	-
(g)	**Bodies Corporate**	602	9,52,753	9,52,753	0.59	9,52,753	0.59	9,52,753	-	-	-
(h)	**Any other (Specify)**	1,398	4,74,139	4,74,139	0.29	4,74,139	0.29	4,74,139	-	-	-
	Clearing Members	4	1,070	1,070	0.00	1,070	0.00	1,070	-	-	-
	HUF	1,335	3,54,448	3,54,448	0.22	3,54,448	0.22	3,54,448	-	-	-
	LLP	56	1,13,052	1,13,052	0.07	1,13,052	0.07	1,13,052	-	-	-
	Trusts	3	5,569	5,569	0.00	5,569	0.00	5,569	-	-	-
	Sub-Total B4	**1,04,637**	**1,32,02,076**	**1,32,02,076**	**8.13**	**1,32,02,076**	**8.13**	**129,48,641**	-	-	-
	Total B=B1+B2+B3+B4	**1,04,851**	**10,52,02,365**	**10,52,02,365**	**64.76**	**10,52,02,365**	**64.76**	**10,49,48,930**	-	-	-

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to Bidding, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Eligible QIBs that applied in the Issue were required to confirm and have been deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates and representatives that they were eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also, see "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 236 and 244, respectively.

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue was made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided that:

- our Shareholders have passed a special resolution approving the Issue. Such special resolution *inter alia* specifies (a) that the allotment of Equity Shares is proposed to be made pursuant to a qualified institutions placement and (b) the Relevant Date;

- the explanatory statement to the notice to our Shareholders for convening the general meeting disclosed, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the Company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of issue, the contribution made by the Promoters or Directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to pass the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application letter (i.e., the Preliminary Placement Document and an Application Form) serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the allotments with respect to any earlier offer or invitation made by our Company shall have been completed or our Company shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application letter (i.e., the Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The qualified institutions placement was made only to such Eligible QIBs whose names are recorded by the Issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

- our Promoters and Directors have not been declared as Wilful Defaulters and Fraudulent Borrowers; and

- our Promoters and Directors are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or a duly authorised committee thereof decides to open the Issue and "stock exchange", for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares must be Allotted within 365 days from the date of our Shareholder's resolution by way of a special resolution passed by way of postal ballot on November 30, 2024 and within 60 days from the date of receipt of the Application Amount from the Successful Bidders failing which our Company shall refund the Application Amount in accordance with applicable laws. For details of refund of Application Amount, see "*– Refunds*" on page 233.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document, which shall contain all material information required under applicable law including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you did not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

Our Company has offered a discount of ₹ 13.98, equivalent to 1.15% on the Floor Price, in terms of the SEBI Regulations.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹250.00 crores; and
- five, where the issue size is greater than ₹250.00 crores.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "– *Bid Process - Application Form*" on page 228.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 236 and 244, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE on December 12, 2024.

We shall also make the requisite filings with the RoC within the stipulated time period(s) as required under the Companies Act, 2013 and the PAS Rules.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Managers had circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form and shall circulate serially numbered copies of this Placement Document, either in electronic or physical form, to identified Eligible QIBs and the Application Form was specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document, this Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. The list of Eligible QIBs to whom the Preliminary Placement Document, this Placement Document and Application Form was delivered and was determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Application Amount was to be deposited, were addressed to a particular Eligible QIB, no invitation to make an offer to subscribe was deemed to have been made to such Eligible QIB.** Even if such documentation came into the possession of any person other than the intended recipient, no offer or invitation to offer was deemed to have been made to such person and any application that did not comply with this requirement was treated as invalid.

3. Eligible QIBs were required to submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, and/or any other documents specified in the Application Form, during the Issue Period to the Book Running Lead Managers. Application Form were signed physically or digitally, as required under applicable law in the relevant

jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB submitted an unsigned copy of the Application Form, as long as the Application Amount was paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount had been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not be withdrawn or revised downwards after the Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and the Application Form was unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

4. Bidders were required to indicate the following in the Application Form:

- a representation that (i) it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales occur, and (ii) it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 4 and "*Transfer Restrictions and Purchaser Representations*" on page 244 of the Preliminary Placement Document and certain other representations as set forth in the Application Form;

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details and bank account details;

- number of Equity Shares Bid for;

- price at which they were agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

- Equity Shares held by the Eligible QIBs in our Company prior to the Issue;

- details of the depository account to which the Equity Shares should be credited; and

- Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were specifically required to state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicated the scheme for which the Bid was made. Application by various schemes or funds of a Mutual Fund were required to be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable law.

5. Eligible QIBs were required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of *"KPIL QIP Escrow Account"* with the Escrow Bank, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares were required to be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appeared first in the Application Form. Pending Allotment and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amounts received for subscription of the Equity Shares were kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder was not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowered or withdrew their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "- *Refunds*" on page 233.

6. Once a duly completed Application Form was submitted by a Bidder and the Application Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs have been given notice of such date after receipt of the Application Form.

7. Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company has disclosed the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and consents to such disclosure, if any Equity Shares were allocated to it.

8. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company has, in consultation with Book Running Lead Managers determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers sent the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated.

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers have, on our behalf, sent a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment**.**

11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

16. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Eligible QIBs

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules or bilateral development financial institution have been considered as Eligible QIBs. FVCIs were not permitted to participate in the Issue. Currently, Eligible QIBs, who were eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹ 25.00 crores registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 25.00 crores;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE IN THIS ISSUE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF FEMA RULES. ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DID NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF THE FEMA RULES, SUBJECT TO OTHER CONDITIONS MENTIONED IN THE FEMA RULES.

In terms of the SEBI FPI Regulations and the FEMA Rules, the issue of Equity Shares to a single FPI including its investor group (which means the multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control, shall be treated as part of the same investor group) must be below 10% of our post-Issue Equity Share capital and the total holding of all FPIs, collectively, shall be below 24% of the paid-up equity share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI (including its investor group) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. Other than those Eligible FPIs, as prescribed in Regulation 22(4) of the SEBI FPI Regulations, in the event that such divestment of excess holding is not undertaken within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and receipt of necessary regulatory approvals as required and in accordance with applicable laws, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations and FEMA Rules.

As per the FPI Operational Guidelines, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed Central Depository Services (India) Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs were permitted to participate in the Issue subject to compliance with the conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the Issue and sale of the Equity Shares in certain jurisdictions, see *"Selling Restrictions"* and *"Transfer Restrictions and Purchaser Representations"* on pages 236 and 244, respectively.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company, and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply in the Issue. Eligible QIBs were advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document and this Placement Document.

Further, Eligible QIBs were required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs could only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB were deemed to have made the following representations, warranties, acknowledgements and undertakings as well as those given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4, 236 and 244, respectively:

1. The Eligible QIB confirmed that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirmed that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirmed that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. The Bidder confirmed that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. The Eligible QIB acknowledged that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

6. The Eligible QIB confirmed that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. The Eligible QIB confirmed that it was eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. The Eligible QIB confirmed that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agreed that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledged that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company has disclosed names as proposed Allottees and percentage to post-Issue shareholding of the proposed Allottees in this Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

11. The Eligible QIB confirmed that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIB acknowledged that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

13. Each Eligible FPI, confirmed that it has participated in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledged that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirmed that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

14. The Eligible QIBs confirmed that they shall not undertake any trade in the Equity Shares credited to their beneficiary accounts maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares Allotted in the Issue are issued by the Stock Exchanges; and

15. The Eligible QIB confirmed that:

    (a) It is outside the United States and is purchasing the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made, and is not our affiliate or a person acting on behalf of such an affiliate; and

    (b) It has read and understood, and by making a Bid for the Equity Shares through the Application Form and pursuant to the terms of this Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections entitled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4, 236 and 244, respectively.

Further, in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address, and bank account were obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder was deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount was deposited in the Escrow Account as is specified in the Application Form and the Application Form was submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following address:

Name of BRLMs	Address	Contact person	E-mail	Contact number
ICICI Securities Limited	ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	Gaurav Mittal / Nikita Chirania	wgpragati@icicisecurities.com	+91 22 6807 7100
Avendus Capital Private Limited	Platina Building, 9th Floor, 901 Plot No C-59, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India	Sarthak Sawa/ Adithya K	project.pragati@avendus.com	+91 22 6648 0050

The Book Running Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue were required to pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the *"KPIL QIP Escrow Account"* with the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Bank. Bidders were required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by them in accordance with the applicable laws. Bidders could make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were to be made only through electronic fund transfer. Payments through cheques or demand draft or cash were liable to be rejected. If the payment were not made favouring the "KPIL QIP Escrow Account" within the Issue Period stipulated in the Application Form, the Application Form of the QIB was liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in *"KPIL QIP Escrow Account"* only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "*– Refunds*" on page 233.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form, to the extent applicable. Applications without this information were considered incomplete and were liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder was required to mention the details of the bank account from which the payment of Application Amount was being made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date.

Build-up of the Book

The Eligible QIBs have submitted their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company has determined the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price have been grouped together to determine the total demand. The Allocation to all such Eligible QIBs were required to be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Managers had the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at its sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBs HAVE NOT RECEIVED ANY ALLOCATION EVEN IF THEY HAD SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS WERE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CONFIRMATION OF ALLOCATION NOTE OR CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, have decided the Successful Bidders to whom the serially numbered CAN has been dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allocated has been notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders were sent a serially numbered Placement Document (which includes the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document, to the Eligible QIBs has been deemed a valid, binding and irrevocable contract for the Eligible QIBs to furnish all details that may be required by the Book Running Lead Managers. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Managers.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB has been deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

The Equity Shares in the Issue will be issued, and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary demat accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final listing and trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in the Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company has been disclosed in this Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC within the prescribed timelines under the Companies Act.

After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed the same with the Stock Exchanges as this Placement Document, which includes include names of the proposed Allottees and the percentage of their post Issue shareholding in the Company.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder is refunded to the same bank account from which the Application Amount was remitted by such Bidder. For further details, see " - *Refunds*" on page 233.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in the Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the *"KPIL QIP Escrow Account"* to our Company until receipt of notice from the Book Running Lead Managers, the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of allotment under Form PAS-3 with the RoC.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated December 12, 2024 with our Company, pursuant to which the Book Running Lead Managers has agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

In connection with the Issue, the BRLMs (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs (or their affiliates) may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLMs could have purchased Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 10.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 236 and 244, respectively.

From time to time, the BRLMs, and their affiliates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its Joint Venture, its group companies, affiliates and the Shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and their affiliates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not, for a period of 30 days from the date of Allotment under the Issue, without the prior written consent of the BRLMs, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in Clause (a) or (b) above is to be settled by the delivery of Equity Shares or such other securities convertible into or exercisable or exchangeable for Equity Shares, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above.

Promoter's lock-up

Under the Placement Agreement, the Promoters and Promoter Group of the Company, will not for a period of 30 days from the date of Allotment under the Issue, without the prior written consent of the BRLMs, directly or indirectly: (a) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Equity Shares held by them or which may be deemed to be beneficially owned by them (the "**Lock-up Shares**"), or any securities convertible into or exercisable or exchangeable for Lock-up Shares), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; (b) enter into any swap or other agreement or transaction that transfers in whole or in part, any of the economic consequences of ownership of Lock-up Shares or any securities convertible into or exercisable or exchangeable for Lock-up Shares; (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of any of the transaction described in (a), (b) or (c) above, (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a) to (d) above.

Provided, however, that none of the foregoing restrictions shall apply to:

(i) any sale, transfer or disposition of any of the Lock-up Shares by the Promoters and members of Promoter Group, with prior written consent of the Book Running Lead Managers, to the extent such sale, transfer or disposition is required by Applicable law;
(ii) any bona fide pledge or non-disposal undertaking of any of the Lock-up Shares held by the Promoters and members of Promoter Group as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of businesses of the Promoters and Promoter Group.

SELLING RESTRICTIONS

The distribution of the Preliminary Placement Document, this Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Preliminary Placement Document, this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

The distribution of this Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

The Issue is being made only to Eligible QIBs. The distribution of the Preliminary Placement Document, this Placement Document or any offering material and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document, this Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document, this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under the sections titled "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4 and 244, respectively.

Republic of India

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document have not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("Australian Corporations Act") and does not purport to include the information required of a prospectus or disclosure document under the Australian Corporations Act. This Placement Document has not been lodged with the Australian Securities and Investments Commission ("ASIC") and no steps have been taken to lodge it with ASIC. No offer will be made under this Placement Document to any person to whom disclosure is required to be made under Chapter 6D of the Australian Corporations Act. Any offer in Australia of the Equity Shares under this Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act which permit the offer of the Equity Shares without disclosure under Part 6D.2 of the Australian Corporations Act.

As any offer of Equity Shares under this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to the Company that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required under Chapter 6D.2 of the Australian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares that shall be offered pursuant to this Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Book Running Lead Managers of such fact in writing and has received the consent of the Book Running Lead Managers in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Managers and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Book Running Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Book Running Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Placement Document is strictly private and confidential. This Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or
(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Placement Document may not be distributed or circulated to any person in the United Kingdom other than to

(i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Placement Document is directed only at relevant persons. Other persons should not act on the Placement Document or any of its contents. The Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 236 and 244, respectively.

Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue is not permitted for a period of one year from the date of Allotment, except on the Stock Exchanges. Investors are advised to consult their legal counsel prior to making any resale, pledge, or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 236.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, each investor will be deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares and (v) have no need for liquidity with respect to the investment in the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the Book Running Lead Managers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLMs and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, byelaws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations and the Stock Exchanges, as well as pursuant to the Listing Agreements. The SCRR empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. However, every public sector listed company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public listed companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial results (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

SEBI Insider Trading Regulations

SEBI Insider Trading Regulations, notified on January 15, 2015 and as amended from time to time, came into effect on May 15, 2015 by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The SEBI Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. Every such code and procedures for fair disclosure of UPSI and every amendment thereto shall be promptly intimated to the stock exchanges where the securities are listed. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus one, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday.

Trading hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Internet-Based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock-brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation fully automated BSE on-line trading platform ("**BOLT+**") through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed. NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act, 2013. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹ 850,000,000 comprising 425,000,000 Equity Shares (of face value of ₹2.00 each). As on the date of this Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 324,892,304 comprising 162,446,152 Equity Shares (of face value of ₹2.00 each). The Equity Shares are listed on BSE and NSE.

Dividends and Reserve

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act, 2013 provides that shares of the same class of a company must receive equal dividend treatment. These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by the company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. In addition, subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified as in their judgement the position of the Company justifies.

Capitalisation of profits

In addition to permitting dividends to be paid as described above, the Companies Act, 2013 permits the board of directors of a company, subject to the approval of the shareholders of the company, to capitalise the profits or reserves of the company to *inter alia* distribute to the shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the shareholders in proportion to the number of equity shares owned by them.

As per the Articles of Association, the Company in a general meeting, upon recommendation of the Board, may resolve that that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and that such sum be accordingly set free for distribution amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. A securities premium account and a capital redemption reserve account may, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares for paying up any amounts for the time being unpaid on any shares held by such Members respectively and paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid.

Alteration of share capital

Under the provisions of the Companies Act, 2013, a company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The board of directors of a company is entitled to make private placement and preferential issue of equity shares, debentures, preference shares or any other instruments to such class of persons as the board of directors may deem fit.

According to Section 62(1)(a) of the Companies Act 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting. Further, the Companies (Share Capital and Debentures) Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

In accordance with the Articles of Association and the provisions of the Companies Act, 2013, the Company may, from time to time, increase the capital by the issue of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Companies Act , the Company may, from time to time, increase its share capital by such amount as it thinks expedient by issuing new shares, consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination, sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum and cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. The Company may, subject to provisions of the Act, reduce in any manner and with, and subject to, any incident authorised and consent required by law, its share capital, any capital redemption reserve account, any securities premium account and any other reserve in the nature of share capital.

General meetings

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. A company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The board of directors of the company may convene an EGM when necessary or at the request of shareholders in accordance with the Companies Act, 2013. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the shareholders. Shorter notice is permitted if consent is received from 95% of the shareholders entitled to vote at such meeting. Such number of shareholders as required under the Companies Act, 2013 or applicable law personally present shall constitute quorum for a general meeting.

As per the provisions of the Companies Act, 2013 and the Articles of Association, all general meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it thinks fit, call an extraordinary general meeting. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be as provided in section 103 of the Companies Act, 2013. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

Voting

Subject to provisions of the Companies Act, 2013 and in accordance with the Articles of Association, a member may exercise his vote at a meeting physically or by electronic means in accordance with section 108 of the Companies Act, 2013 and shall vote only once. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, the Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not and the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

TAXATION

To,

The Board of Directors
Kalpataru Projects International Limited
(formerly known as Kalpataru Power Transmission Limited)
Plot No. 101, Part - III,
G.I.D.C. Estate, Sector – 28,
Gandhinagar - 382 028,
Gujarat, India.

To,

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025,
Maharashtra, India.

To,

Avendus Capital Private Limited
Platina Building, 9th Floor, 901
Plot No C-59, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051,
Maharashtra, India.

(ICICI Securities Limited and Avendus Capital Private Limited are collectively hereinafter referred to as the "**Book Running Lead Managers"** or the "**BRLMs**")

Qualified institutions placement of equity shares of face value of ₹2 each ("Equity Shares") by Kalpataru Projects International Limited (the "Company") under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and Sections 42 and 62 of the Companies Act, 2013, read with the rules issued thereunder, each as amended ("Issue" or "QIP")

1. I, Harshil Patel & Co., Chartered Accountants, (Firm Registration Number: 148237W), am an Independent Firm of Chartered Accountants with respect to the Company pursuant to the rules promulgated in Clause 4 of Part I of the Second Schedule of the Code of Conduct of the Institute of Chartered Accountants of India ("**ICAI**") and have been appointed by the Company in terms of my engagement letter dated November 08, 2024 ("**Engagement Letter**") in relation to the Issue.

2. I, hereby enclose **Annexure A**, showing the current position of the possible special tax benefits, if any, available to the Company, and its shareholders under the direct and indirect taxes applicable for the Financial Year 2024-25, presently in force in India ("**Indian Tax Laws**"), prepared by the management of the Company as on the date of this certificate. These possible special tax benefits are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Tax Laws. Hence, the ability of the Company and/or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and/or its shareholders may or may not choose to fulfil such conditions.

3. The preparation of **Annexure A** as of the date of my certificate which is to be included in the Preliminary Placement Document and the Placement Document is the responsibility of the management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for providing me with the documents that I require for certifying the requirements as stated above.

4. The management of the Company is also responsible for ensuring that the Company complies with the requirements of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), other applicable SEBI regulations, and the requirements of the Companies Act, 2013, and the rules framed thereunder ("**Companies Act, 2013**"), each as amended, and any other requirements under the applicable laws, and provides all relevant information to the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" and together with BSE, together, the "**Stock Exchanges**"), as may be required under the applicable laws.

5. My responsibility is to examine whether **Annexure A** prepared by the Company is in accordance with the applicable Indian Tax Laws for the financial year 2024-25 based on the law enacted as on the date of this certificate. For this purpose, I have read **Annexure A** and evaluated it with reference to the provisions of the

Indian Tax Laws.

6. My confirmation is based on the information, explanations and representations obtained from the and based on my understanding of the business activities and operations of the Company.

7. I do not express any opinion or provide any assurance as to whether:

   (i) the Company and/or its shareholders will continue to obtain these possible tax benefits in future; or

   (ii) the conditions prescribed for availing the possible tax benefits, where applicable have been/would be met; and

   (iii) the revenue authorities/courts will concur with the assertions expressed herein.

8. My views expressed herein are based on the facts and assumptions indicated to me. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The **Annexure** is based on the existing provisions of Indian Tax Laws and its interpretation, which are subject to change from time to time. I do not assume responsibility to update the views consequent to such changes.

9. The special tax benefits discussed in the enclosed **Annexure A** are not exhaustive or conclusive and cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them. I wish to highlight that the distinction between "general" and "special" tax benefits is not defined under the SEBI ICDR Regulations. Accordingly, I have provided comments on those tax benefits, the availability of which is contingent on the fulfilment of certain conditions as per the applicable Indian Tax Laws. **Annexure A** is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Indian tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue. Neither I am suggesting nor advising investors to invest money based on this statement.

10. I conducted my examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "**Guidance Note**") in accordance with the generally accepted auditing standards in India and other applicable authoritative pronouncements issued by the ICAI and the circular dated June 26, 2023, issued by the National Financing Reporting Authority ("**NFRA"**) on Statutory Auditor's Responsibilities in relating to Fraud in a Company. The Guidance Note requires that I comply with the ethical requirements of the Code of Ethics issued by the ICAI. I 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 Engagements.

11. I undertake to promptly update the Company and BRLMs of any changes in the above-mentioned position until the Equity Shares issued by the Company pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication from me, till the Equity Shares commence trading on the Stock Exchanges, the Company and BRLMs may assume that there is no change in respect of the matters covered in this certificate.

12. This certificate may be relied upon by the addressees to this certificate and the legal advisors appointed for the Issue and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Issue.

13. I hereby consent to extracts of, or reference to, this certificate being used in the preliminary placement document and the placement document (together, the "**Placement Documents**") and any other document to be filed by the Company with the Stock Exchanges, Securities and Exchange Board of India ("**SEBI**"), the Registrar of Companies, Gujarat at Ahmedabad, and any other authority, and such other documents as may be prepared in connection with the Issue.

14. I also, consent to the submission of this certificate to any regulatory/statutory authority including SEBI and the Stock Exchanges as may be necessary (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, and/or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or

investigation and/or (iii) for the records to be maintained by the BRLMs in connection with the Issue and in accordance with applicable laws.

15. This certificate has been prepared at the request of the Company and the BRLMs solely for the Issue and should not be used by any other person other than those mentioned specifically herein or for any other purpose. Accordingly, I do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or whose hands it may come without my prior consent in writing.

I confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

Capitalised terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

FOR HARSHIL PATEL & CO.
Chartered Accountants
Firm Registration Number: 148237W

Harshil Patel
Proprietor
Membership Number: 143444

Place: Ahmedabad
Date: XX December 2024

UDIN: 24143444BKBOMB8141
Peer Review Certificate Number: 016954

CC:

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Encl: Annexure A

ANNEXURE A - THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KALPATARU PROJECTS INTERNATIONAL LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

The document outlines a summary of potential direct and indirect tax benefits available to the Company

under Indian tax laws for the Financial Year 2024-25 (Assessment Year 2025-26). These benefits, which are subject to conditions set out in the respective direct and indirect tax regulations, depend on the Company and its shareholders fulfilling specific criteria. The Company may choose to meet these conditions based on its business requirements, and some benefits may be optional for them to exercise.

It is important to note that this overview is not a comprehensive or exhaustive list of all possible tax consequences related to the business operations, subscription, ownership, or disposal of equity shares. The tax landscape can change, and certain benefits may be subject to evolving interpretations of newly enacted legislation.

Before delving into the potential benefits, a list of the key relevant tax laws has been given below:

Details of tax laws	
1	Income-tax Act, 1961 ("**Income Tax Act**") and Income-tax Rules, 1962
2	Central Goods and Services Tax Act, 2017
3	Integrated Goods and Services Tax Act, 2017
4	State Goods and Services Tax Act, 2017
5	Goods and Services Tax (Compensation to States) Act, 2017 ("**GST Act**")
6	Customs Act, 1962
7	Customs Tariff Act, 1975
8	Foreign Trade Policy 2023

DIRECT TAX LAWS

1) Concessional Tax regime

Vide Section 115BAA of the Income Tax Act, domestic companies have an option to compute corporate taxes at a reduced rate of 22% (plus surcharge of 10% and cess of 4%) from the Financial Year 2019-20.

Companies opting for concessional tax regime have to forfeit any other specified tax benefits including but not limited to benefits under Sections 10AA and 80IA of the Income Tax Act, additional / accelerated depreciations, Section 35 deductions of the Income Tax Act, Chapter VI of the Income Tax Act benefits (excluding Sections 80M and 80JJAA of the Income Tax Act), etc.

It also provides that companies availing such option will not be required to pay minimum alternate tax **("MAT")** under Section 115JB of the Income Tax Act. Accordingly, no MAT credit shall be available.

The Company has exercised the above option and is subject to corporate taxes on its taxable profits at an effective tax rate of 25.168%.

2) Deductions from Gross Total Income

Employment related deductions

The Company is eligible to claim a deduction under Section 80JJAA of the of the Income Tax Act, subject to prescribed conditions being adhered to. The deduction being computed as per specified percentage under the laws on the additional employee costs (pertaining to a specified category of employees) incurred in the course of business during the previous year.

Inter-corporate Dividends

With the insertion of Section 80M of the Income Tax Act and shifting of tax liability for dividends from the company to shareholders, the cascading effect of taxation in case of inter-company dividend was removed.

Dividends received shall be taxable in the hands of shareholders, however in case of resident corporate shareholder, deduction under Section 80M of the Income Tax Act shall be available to such resident corporate shareholder on redistribution subject to compliance of the conditions mentioned under the tax provisions.

INDIRECT TAX LAWS

The Company is not entitled to any special tax benefits under indirect tax laws. Certain benefits availed in normal course of business are mentioned hereunder;

GST on export of goods or services:

The tax benefit for non-charging of goods and service tax ("**GST**") on 'export of goods or services' under the provisions of the GST Act is available subject to fulfillment of the conditions specified in the GST laws.

Adhering to the regulations, the Company can supply goods or services with a letter of undertaking and claim a refund of unutilized input tax credit. If GST is paid, a refund can be claimed under applicable provisions of the GST Act.

Alternatively, the specific tax benefit of claiming GST on supply of goods or services with payment of GST on the export is available to the Company under GST regulations.

Other export benefits

The Company is eligible to claim duty drawback, export benefits under Remission of Duties or Taxes on Export Products scheme and other such incentives subject to fulfillment of conditions as provided under the regulations on exports in normal course of business

SHAREHOLDER BENEFITS

The shareholders of the Company are not entitled to any special tax benefits other than ones provided under the Income Tax Act.

NOTES:

- The statement above regarding possible special tax benefits provides only a summary of the tax laws and is not a comprehensive analysis or enumeration of all potential tax implications related to the purchase, ownership, and sale of shares.

- The statement addresses only certain special tax benefits under the applicable tax laws, in conjunction with the relevant rules, circulars, and notifications. It does not cover any benefits under other laws currently in force in India, nor does it discuss any tax consequences related to investments in the shares of an Indian company outside of India.

- The information above regarding possible special tax benefits is based on the current tax laws for the Assessment Year 2024-25. Many of these benefits are contingent upon the Company or its shareholders meeting the conditions specified in the relevant provisions of the tax laws.

For non-residents, the tax rates and associated taxation outlined above may be subject to any applicable benefits under the relevant Double Taxation Avoidance Agreement (DTAA) between India and the country of the non-resident's fiscal domicile.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of civil proceedings, criminal proceedings and tax disputes, which are pending before various adjudicating forums.

Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with the "Policy on determination of materiality of events / information & disclosure of material events / information" adopted by our Board which was last revised on August 11, 2023.

Additionally, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section involving our Company and our Subsidiaries in accordance with the materiality policy approved by our QIP committee in their meeting held on December 12, 2024:

- *all outstanding criminal proceedings involving our Company, our Subsidiaries and our Directors (including matters at FIR stage where no/some cognizance has been taken by the court or judicial authority), will be disclosed individually, except for the matters of dishonour of cheques under the Negotiable Instruments Act, 1881, for which a consolidated disclosure will be made;*
- *any outstanding actions (including show-cause notices and penalties) initiated by any regulatory and/or statutory authorities such as Securities and Exchange Board of India, Reserve Bank of India or such similar authorities or stock exchanges, involving the Company and its Subsidiaries, will be disclosed individually;*
- *all outstanding civil proceedings including arbitration proceedings (which includes cases filed by and against)involving our Company, our Subsidiaries and our Directors (in their capacity as Directors of our Company) wherein the amount involved in such proceeding is equal to or exceeds, five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company being ₹ 24.77 crores;*
- *all outstanding claims related to direct and indirect tax matters (excluding show cause notices received from taxation authorities) involving our Company and our Subsidiaries (disclosed in a consolidated manner). A disclosure will be included for the tax matters whose value is exceeding the Materiality Threshold including tax proceedings of Directors (in their capacity as Directors of our Company); and*
- *any other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis and other outstanding litigation involving the Promoters and Directors of the Company wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of the Company, on a consolidated basis.*

Further, except as disclosed in this section, there are no:

- *inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or any previous companies law, in the last three years immediately preceding the year of issue of the Issue Documents against our Company and Subsidiaries; and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of issue of the Issue Documents for our Company and Subsidiaries;*
- *material frauds committed against our Company in the last three years, and if so, the action taken by the Company;*
- *significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations;*
- *defaults by our Company and our Subsidiaries (on a consolidated basis) including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*
- *defaults in annual filings of our Company under the Companies Act, 2013 or the rules made thereunder;*
- *all litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of this Placement Document and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any; and*
- *reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company*

and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

It is clarified that for the purposes of the above, no pre-litigation notices received by any of the parties specified above from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall, unless otherwise decided by the QIP Committee, be considered as material till such time that any of the parties, are impleaded as defendant or respondent in litigation proceedings before any judicial or quasi-judicial forum including court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. This chapter includes cases pertaining to JMC Projects (India) Limited which has now been amalgamated with the Company.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in that particular litigation only.

Litigation involving our Company

Criminal proceedings involving our Company

By our Company

1. There are six matters filed by our Company under section 138 and other provisions of the Negotiable Instruments Act, 1881 ("**NI Act**") in relation to dishonour of cheques. The aggregate amount involved in these matters amounts to ₹ 4.01 crores. These matters are pending before various authorities.

2. Our Company has filed a criminal complaint against Prabhayya C. Rumal of Chichi Construction and Chichi Construction (hereinafter collectively referred to as the "**Accused**") under Section 156(3) of the Criminal Procedure Code, 1973 ("**CrPC**") before the Chief Judicial Magistrate, Gautam Budh Nagar for registration of first information report under sections 388, 406, 420, 441, 506 and 509 of the Indian Penal Code, 1860 ("**IPC**") at police station, Sector 58, Gautam Budh Nagar. Our Company had entered into an agreement dated May 6, 2011 ("**Contract**") with Emaar MGF for construction of residential towers. In lieu of the Contract, our Company had appointed the Accused through a work order dated April 25, 2011 for preparation and laying of readymix concrete at Palm Hill Project, Gurgaon (PHPG) ("**Work Order 1**") and work order dated March 25, 2011 for earth work for CHP Mauda Power Plant, Nagpur, Mauda ("**Work Order 2**"). There were delays on part of the Accused in fulfilling of its obligation under Work Order 1 for which the Company sent multiple reminders to the Accused. Owing to the delays caused by the Accused, our Company terminated the Work Order assigned to the Accused and directed the Accused to remove the batching plant from the site failing which the Accused will be responsible for the same. After the said termination our Company and the Accused entered into two settlement agreements for an amount of ₹ 0.26 crores towards full and final payment of his account towards the Work Orders 1 and 2. Thereafter, the Accused again demanded certain monies from our Company failing which he threatened our Company of some consequences. The Accused again entered into a settlement agreement dated May 5, 2023 ("**Final Settlement Agreement**") for an amount of ₹ 0.18 crores towards full and final settlement against Work Orders 1 and 2 and also towards the settlemnt of issue of batching plant. The criminal complaint filed by our Company is pending for final order before the Gautam Buddh Nagar Court. The Accused inspite of entering into various settlement agreements and receiving an amount of approximately ₹ 0.73 crores again wanted to arm twist the Company and again filed frivolous complaints. The officials investigated the matter and a physical inspection of the godown of the Company was conducted. The Accused again dishonoured its Final Settlement Agreement and again filed a criminal complaint against our Company, its Chairman and Non-Executive Non-Independent Director, Deputy Managing Director and other official(s) of our Company in the court of Duty Magistrate, Gurugram ("**Court**") under sections 420, 406, 323, 120B and 34 of the IPC for the same issues for which he had already entered into various settlement agreements including the Final Settlement Agreement ("**Impugned Complaint**"). In response to the complaint filed by the Accused, our Company filed a criminal miscellaneous application dated October 30, 2023, ("**Miscellaneous Application**") before the Court. In the present Miscellaneous Application, our Company has prayed to decline registration of the Impugned Complaint by the Accused to the concerned police station and thereby dismiss the Impugned Complaint on the grounds that the applicable sections of the IPC are in the nature of compoundable offence as per section 320 of the CrPC which have been settled by way of the Final Settlement Agreement. The Court has adjourned the matter for consideration and the matter is currently pending.

3. Our unincorporated joint venture (JMC-CHEC-JV) ("**Complainant**") has filed a criminal complaint through an ex-employee of the Complainant ("**Complaint**") against (i) M/s Neelam Roy through its proprietor Sh. Diwakar Roy, (ii) United Construction through its proprietor Anil Singh, and (iii) M/s Prity Singh through its proprietor Munna Singh at the Anand Vihar police station, Delhi on June 22, 2017 for cheating, forgery, criminal trespass, criminal intimidation, misbehaving, manhandling and misrepresentation under sections 406, 420, 471, 467, 120B of the Indian Penal Code, 1860. The investigating officer has submitted a closure report in relation to the Complaint before the learned judge Chief Metropolitan Magistrate, Karkardooma Court, Delhi ("**Court**") for its consideration on September 5, 2024. The matter is currently pending before the Court.

4. Our Company had awarded various work orders regarding pump house, boundary wall and other works as contained in the work orders to JPS Construction, a proprietary concern of Kamla Devi and subsequently, dispute arose between the parties. Our Company lodged an first information report ("**FIR**") against the family members of Kamla Devi before the Sakeet police station, Etah . Thereafter, Kamla Devi filed an impugned FIR ("**Impugned FIR**") on May 14, 2024 against our Company and three employees of our Company, under sections 147, 148, 149, 323, 427, 504, 379, 307 and 406 ("**Applicable Sections**") of the Indian Penal Code, 1860 ("**IPC**") at Bagwala police station, Etah. Thereafter, the respective employees filed criminal miscellaneous writ petitions before the High Court of Allahabad ("**Court**") to quash the Impugned FIR and stay the arrest of the officials. The Court *vide* orders dated May 31, 2024 and July 29, 2024 directed that no coercive action shall be taken against the officials of our Company pursuant to the Impugned FIR and deleted all the Applicable Sections except for section 406 of the IPC. Meanwhile in the final report dated August 4, 2024, submitted by the investigating officer under section 173 of the Criminal Procedure Code, 1973 in relation to the Impugned FIR, it was concluded that the matter is of a purely civil nature. The matter is currently pending and the next hearing date is awaited.

5. A first information report ("**FIR**") has been lodged on December 2, 2019, before the Gopalpur police station, Behrampur, against Ashwani Kumar, Rajendra Reddy and others under sections 323, 325, 307 and 24 of the Indian Penal Code, 1860 ("**IPC**") who threatened and attacked the current employees, and damaged the property of our Company. Subsequently, an FIR was lodged on March 13, 2020, alleging inter alia, cheating, breach of trust, forging bills and misusing funds of our Company against Ashwani Kumar and sub-contractors engaged by him. On September 2, 2020, Ashwani Kumar lodged an FIR before the Sahidnagar police station, Bhubaneswar, against employees and Managing Director and Chief Executive Officer of our Company alleging, *inter alia*, wrongful confinement and extortion. The matter is currently pending.

6. The case is related to a fraudulent cheque clearance of 17,583,000 FCFA (equivalent to approximately ₹ 0.27 crores) from its account through a microfinance agency in Cameroon. The cheque dated September 11, 2020, was cleared with forged signatures of our Company's authorized signatories. Upon discovery, our Company notified Societe Generale Cameroon, which revealed that the cheque was paid to ETS Souleman and presented to Union Bank of Cameroon. Societe Generale Cameroon lodged a complaint with the Coastal Judicial Police on our Company's behalf, and the case is now before the Court of First Instance – Akonolinga, Cameroon ("**Court**"). The Court has directed the National Investigation Authority to investigate. The investigation is ongoing.

7. Our Company had entered into an agreement for supply of manpower with M/s. Balaji Contractors, Surendra Parikh ("**Accused no. 1**") and Brijlal ("**Accused no. 2**") (hereinafter collectively referred to as the "**Accused**"), both employees of M/s. Balaji Contractors, who were assigned the responsibility of procuring raw materials on behalf of our Company. It was subsequently discovered that the raw materials purchased by the Accused were of lesser quantity compared to what was reflected in the payment receipts. Consequently, a complaint of fraud was lodged by M/s Balaji Contractors against the Accused under section 420 of the Indian Penal Code, 1860 ("**IPC**"). Separately, our Company has also filed a complaint under sections 420, 467, 468 and 471 of the IPC against Rammohan ("**Accused no. 3**"), an employee of our Company, who is a co-accused in the complaint. Both the complaints were later clubbed into a single first information report ("**FIR**"). However, the police in the chargesheet in relation to the FIR, framed charges only against Accused no. 1 and Accused no. 2. Our Company submitted an application before the Judicial Magistrate First Class, Padampur ("**Court**") to include the name of Accused no. 3 in the chargesheet but the Court only took cognizance against Accused no. 1 and Accused no. 2. The matter is currently pending.

8. An ex-employee of our Company filed a first information report against Jitendra Kumar and others, under sections 147, 149, 341, 323, 504, 506 and 427 of the Indian Penal Code, 1860 ("**IPC**"), at P.S. Kahal Gaon, district Bhagalpur, Bihar. Subsequently, a criminal complaint was filed by Jitendra Kumar and others against the employees of our Company under sections 341, 323, 379, 387, 504, 506, 34 of the IPC before the Chief Judicial Magistrate at Bhagalpur, Bihar. The matter is pending before the Sr. Division Judicial Magistrate for adjudication.

9. A local representative of our Company in Sri Lanka has filed a criminal complaint ("**Complaint**") against another local representative, Weerasinghage Sanjeeva Silva ("**Accused**"), before the Criminal Investigation Department ("**CID**"), Sri Lanka police, for embezzlement of funds amounting to LKR 13,000,000 and theft of documents, office equipment, and other miscellaneous items. In pursuance of the Complaint, the Accused was arrested, and subsequently several stolen items were recovered by the CID. The matter is currently pending.

<u>Against our Company</u>

1. Pradeep Kumar Singh ("**Complainant**") has filed a police case under sections 406, 506, and 34 of the Indian Penal Code, 1860 before the Taljhari police station, Sahibhganj, against our Company alleging criminal breach of trust ("**Impugned FIR**"). The Complainant has alleged that M/s Orbital Engineering, which was granted work order by our Company in relation to broadening and laying double rail tracks for the Indian railways, is owed ₹ 0.08 crores by our Company. The employees of our Company which were named in the Impugned FIR ("**Petitioners**") anticipating arrest in pursuance of the Impugned FIR had filed anticipatory bail applications before the District Court of Sahibganj, which were dismissed. Subsequently, the Petitioners filed anticipatory bail applications before the High Court of Jharkhand at Ranchi, wherein they were granted bail. The matter is currently pending.

2. Our Company is involved in a criminal dispute in Cameroon related to a construction project awarded by the Ministry of Water and Energy ("**MINEE**") on November 8, 2019 ("**Project**"). The Project involves building a 400kV double circuit line between Bafoussam and Nachtigal. On June 8, 2023, the Tchoumba Ngouankou Isaac family served a notice to terminate the work and evacuate their family property, which was handed over by MINEE to our Company as part of right of way for the Project and the Company was carrying out the activities as per the contract. This led to a criminal complaint being filed by the Tchoumba Ngouankou Isaac family, resulting in summons being served on our Company's Project site in Bangangte on June 10, 2024, requiring Kilian Ndzelen and our Company's representative to appear before an examining magistrate on June 20, 2024. The matter is currently pending.

3. The lenders of Kurukshetra Expressway Private Limited ("**KEPL**"), namely Bank of Baroda, Bank of India, Indian Bank, Union Bank of India, the Nainital Bank Limited, and Punjab National Bank ("**Lenders**"), have filed an original application ("**OA**") before the Debts Recovery Tribunal-III, Delhi, against KEPL, National Highways Authority of India, SREI Infrastructure Finance Limited, our Company, and Bharat Road Network Limited for recovery of certain amounts. There are no prayers against our Company in the OA. The matter is currently pending.

4. There are three matters filed by M. Ravindran S. Muthiah ("**Petitioner**") against our Company, under article 226 of the Constitution of India before the High Court of Gujarat ("**High Court**"), seeking to quash orders of the Magistrate passed under section 143A of the Negotiable Instruments Act, 1881 ("**NI Act**") ("**Impugned Order**"). The Magistrate in the Impugned Order had directed the Petitioner to deposit 10% of the defaulted cheque amount under section 138 and other provisions of the NI Act. The aggregate amount involved in these matters amounts to ₹0.28 crore. These matters are pending before the High Court.

5. M. Ravindran S. Muthiah has filed a criminal complaint against various officials of our Company including directors alleging manhandling and misappropriation of funds amounting to Rs. 0.58 crores. The matter is currently pending.

Material civil litigation involving our Company

<u>By our Company</u>

1. Our Company is currently involved in arbitration proceedings against NTPC Limited ("**NTPC**"), over disputes arising from a contract dated September 28, 2016, pursuant to the township main package in relation to Khargone super thermal power project related to extended stay costs and other miscellaneous issues. Our Company filed a statement before the arbitral tribunal *inter alia* asserting a claim of ₹ 83.89 crores. In response, NTPC has filed a statement of defence *inter alia* rejecting the claims. The matter is currently pending adjudication.

2. Our Company is engaged in arbitration proceedings against Goa Shipyard Limited ("**GSL**") in relation to disputes arising from a contract awarded to the Company on December 28, 2016, for construction works related to upgradation and modernization of the GSL's infrastructure. Disputes arose over the attributability of delays and other miscellaneous issues, the Company claimed payments for additional costs from GSL and filed its statement of claims, asserting a claim of ₹ 78.13 crores and in response, GSL has filed a counterclaim seeking an amount of ₹ 9.95 crores. The matter is currently pending adjudication.

3. Our Company had entered into a work order dated September 6, 2011, with Indure Private Ltd. ("**Indure**"), pursuant to a letter of intent dated August 26, 2011, for the execution of civil works at the Angul Thermal Power Plant. Disputes arose between our Company and Indure over partial payment of the running account bills claimed by our Company as well as attributability of delays. Our Company filed its statement asserting a claim of ₹ 38.13 crores against which Indure filed its statement of defence and counter claim to the tune of ₹ 4.51 crores. The matter is currently pending adjudication.

4. Our Company was awarded three contracts ("**Contracts**") by GAIL (India) Limited ("**GAIL**") for the laying and construction of a pipeline along with associated works in sections IIA, IIB and IIIA pertaining to Kochi to Mangalore Pipeline Project ("**Project**"). Disputes arose between the parties due to attributability of delays in the Project and other miscellaneous issues. Accordingly, a sole member arbitral tribunal was constituted and our Company filed three statements of claim asserting a claim of ₹ 77.57 crores, ₹ 129.25 crores and ₹ 64.66 crores under the Contracts sections IIA, IIB and IIIA of the Project, respectively, against GAIL. The matter is currently pending adjudication.

5. Our Company invoked arbitration against GAIL (India) Limited ("**GAIL**"), in relation to an extended stay compensation for delay alleged to be attributable to GAIL and other miscellaneous issues, arising from a contract entered into between the parties on September 25, 2014, for replacement and laying of pipelines in the KG Basin. Our Company is claiming an amount of ₹ 31.46 crores and applicable interest. A sole arbitrator has been appointed for adjudication of the dispute. The matter is currently pending adjudication.

6. Our Company and the Central Organization for Railway Electrification entered into two engineering, procurement and construction agreements on January 11, 2021, and February 25, 2021, respectively, for electrification of railway lines of South-Central Railway and Northern Railway. Disputes arose between the parties over wholesale price index to be used to calculate price adjustments. On appointment of sole member arbitral tribunal, our Company has filed statements of claim for an amount of ₹ 63.78 crores and ₹ 47.86 crores, respectively. The matters are currently pending adjudication before the sole arbitrator.

7. Maharashtra State Electricity Transmission Company Limited ("**MSETCL**") issued two tenders in 2009 for developing transmission infrastructure, which were awarded to our Company through two implementation agreements both executed on August 27, 2009. The agreements included a provision requiring MSETCL to issue work orders for 60% of the cumulative works. Since MSETCL had failed to meet the 60% commitment requirement, arbitration was invoked. The arbitral tribunal passed an award dated February 8, 2022, awarding our Company ₹ 29.42 crores with interest ("**Award**"). Our Company filed an execution application before the High Court of Bombay ("**High Court**") under Order XXI of the Code of Civil Procedure, 1908 to execute the said Award. MSETCL has also filed a petition under section 34 of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**") challenging the Award. On June 13, 2023, the High Court in the matter of the petition filed under section 34 of the Arbitration Act, granted a stay, conditional on MSETCL depositing approximately ₹29.42 crores and the same was deposited by MSETCL. Both the matters are currently pending.

8. Our Company had entered into a contract with National Power Company Ukrenergo, a state-owned enterprise of Ukraine ("**Ukrenergo**"), for *inter alia*, the procurement of plant, design and commission of reconstruction with replacement of ground wire in transmission lines in various parts of Ukraine ("**Contract**"). Pursuant to the tensions surrounding the outbreak of the Russia-Ukraine war and the destruction of Ukraine's energy infrastructure, Ukrenergo terminated the Contract and also declared a force majeure event. Ukrenergo

subsequently invoked the advance bank guarantees amounting to ₹ 25.55 crores, against which the Company filed a suit along with an application under Order 39, Rules 1 and 2 of the Code of Civil Procedure, 1908 for injunction before the City Civil Court at Ahmedabad ("**Court**") against Ukrenergo and others, which was declined by the said Court ("**Impugned Order**"). Our Company appealed the Impugned Order before the Gujarat High Court ("**High Court**"). The High Court has admitted the appeal and granted ad-interim relief including direction to maintain status quo regarding the bank guarantees. The matter is currently pending.

9. Our Company entered into a contract on November 19, 2013 ("**Contract**"), with Energy, Water and Sanitisation Authority, Rwanda ("**EWSA**") for the design, manufacture, testing, delivery, installation, completion, and commissioning of the Rwanda-Democratic Republic of Congo (DRC) interconnection 220 kV transmission system project ("**Project**"). For due performance of the Contract, the Company issued performance bank guarantees ("**PBGs**") for a sum of Rwandan Francs 529,230,743 and USD 2,638,623.49 (collectively equivalent to approximately ₹ 25.50 crores). Post-contract signing, EWSA was dissolved, and the Project was assigned to Energy Development Corporation Limited ("**EDCL**"), a subsidiary of the Rwanda Energy Group Limited ("**REG**"). The Project was completed in May 2017. Disputes arose over quality and price adjustments, with EDCL/REG alleging poor quality based on a faulty report. The Dispute Adjudication Board ("**DAB**") and thereafter an arbitral tribunal constituted under the United Nations Commission on International Trade Law Arbitration Rules ("**UNCITRAL Arbitral Rules**") ("**Arbitral Tribunal**"), respectively, ruled in our Company's favor, ordering EDCL/REG to pay approximately USD 24,000,000 in price adjustments, plus costs and interest ("**Award**"). However, REG/EDCL applied to set aside the Arbitral Tribunal's Award, and on April 12, 2024, the High Commercial Court, Kigali (Rwanda) set aside the Award. Our Company filed a review application before the Court of Appeal, Rwanda, on May 10, 2024, which is pending consideration. While the proceedings were underway before the DAB, REG invoked the PBGs. Consequently, our Company has filed suits for declaration and permanent injunction before the High Court of Kenya and the Commercial Court at Ahmedabad, India. The High Court of Kenya granted a temporary injunction and later on directed maintenance of status quo, while the Commercial Court at Ahmedabad granted status quo and extended the same from time to time. Both the suits are pending adjudication.

10. Our Company entered into three transmission line contracts with the National Grid Corporation of the Philippines ("**NGCP**") between the years 2010 to 2012 for Abaga- Kirahon on May 24, 2010, Kirahon – Maramag dated October 4, 2010, and Ormoc – Babatngon dated December 4, 2012. Dispute arose with the NGCP regarding delays in completion and entitlement to extension of time for a project. Our Company filed a petition before the Regional Trial Court, Quezon in 2014, and an interim order was passed directing NGCP not to levy any liquidated damages. Our Company invoked arbitration before the Construction Industry Arbitration Commission of the Philippines (CIAC), which ruled in our Company's favor with an award of Philippine Peso (PhP) 124,390,908.81, USD 2,313,973.51, and ₹ 4,057,958.94 (collectively equivalent to approximately ₹ 37.79 crores). The Court of Appeal upheld the Regional Trial Court's order granting interim protection to our Company and denied NGCP's claims for liquidated damages. However, it set aside the arbitral tribunal's award of actual damages. Both parties have filed petitions for review before the Supreme Court of Philippines, which are currently pending.

11. Our Company had entered into a contract dated September 14, 2015, with Public Works, Port and Inland Transport ("**PWPIT**"), a department of the Karnataka State Highways Improvement Project of Government of Karnataka for improvement of roads and highways network of Karnataka. Disputes arose between our Company and PWPIT over the attributability of delays and other miscellaneous issues. Our Company invoked arbitration, wherein our Company had claimed a compensation of approximately ₹ 132.21 crores. However, in the impugned award passed by the arbitral tribunal, ₹ 26.09 crores was awarded which has been challenged by both the parties under section 34 of the Arbitration and Conciliation Act, 1996 before the City Civil Judge (Commercial Court), Bengaluru. Both the matters are currently pending.

12. Our Company entered into a contract with GAIL Gas Limited ("**Respondent**") for laying of 40.09 km of city gas distribution pipeline consisting of various diameters in Kota, Rajasthan ("**Contract**"). Disputes arose between the Company and Respondent over the attributability of delays and other miscellaneous issues. Subsequently, post completion of the work in pursuance of the Contract, our Company submitted the final bill amounting to ₹ 13.88 crores to the Respondent ("**Disputed Amount**"), which was disputed by the Respondent. Our Company invoked arbitration *inter alia* claiming an amount of ₹ 30.39 crores the Disputed Amount. However, in the award passed by arbitral tribunal, a few of our claims only were awarded while rejecting the others and entire counter claim of Respondent was rejected ("**Impugned Award**"). Aggrieved by the Impugned Award, both the parties challenged the said award under section 34 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi. The matters are currently pending.

13. Our Company invoked arbitration proceedings against Kalpana Chawla Government Medical College (KCGMC) Karnal, Haryana, and HSCC (India) Limited (hereinafter collectively referred to as the "**Parties**"), arising out of the contract executed between the Parties on January 9, 2014, for disputed amount of ₹ 65.25 crores on account of extended stay costs and other miscellaneous issues. The arbitral tribunal has been constituted and the matter is currently awaiting further process.

14. Our Company has filed a petition under section 34 of the Arbitration & Conciliation Act, 1996 challenging the award dated September 24, 2021, rendered by the arbitral tribunal on various grounds. The matter is emanating from a contract for construction of a hospital complex at All India Institute of Medical Sciences, Rishikesh on July 28, 2010, which was awarded to our Company by the Ministry of Health and Family Welfare, Government of India ("**MoHFW**"). Thereafter, our Company had invoked arbitration and filed a claim amounting to ₹ 98.22 crores, against which a counterclaim to the tune of ₹ 83.96 crores was filed by the MoHFW. The arbitral tribunal pronounced an award dated September 24, 2021, in which ₹ 19.60 crores and ₹ 3.80 crores were awarded to our Company and the MoHFW respectively, which has been challenged by both the parties. The matters are currently pending. Our Company has simultaneoulsy availed Vivad se Vishwas Scheme, notified by the Government of India, which is under consideration.

15. Our Company has filed a company petition under section 9 of the Insolvency and Bankruptcy Code, 2016, pursuant to a default of operational debt to the tune of ₹ 98.87 crores against Adhiraj Constructions Private Limited, before the National Company Law Tribunal, Mumbai. The matter is currently pending.

16. Our Company was awarded a contract by Hindustan Petroleum Corporation Limited ("**HPCL**") in connection with laying of LPG pipeline. Dispute arose between the parties for not providing timely hindrance-free right of use ("**ROU**") and other issues. Our Company invoked arbitration and sought payment of sum ₹ 5.00 crores towards unrecovered costs and return of the bank guarantee of ₹ 9.35 crores along with interest. In its counterclaim, HPCL demanded approximately ₹ 217.00 crores. The arbitral tribunal rejected all the claims of our Company and counterclaims of HPCL except accepting that HPCL breached contractual requirements of providing ROU timely and holding that encashing the bank guarantee was not justified ("**Impugned Award")**. Aggrieved by the Impugned Award, both the parties filed applications under section 34 of the Arbitration and Conciliation Act, 1996 challenging the Impugned Award before the High Court of Bombay. Both the matters are currently pending adjudication.

17. Our Company has filed a petition under section 37 of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**"), against the Bangalore Metro Rail Corporation Limited before the High Court of Karnataka, challenging the dismissal of application filed by our Company under section 34 of the Arbitration Act, by the City Civil Court at Bengaluru against the award dated December 9, 2019 passed by the arbitral tribunal ("**Impugned Award**"). Our Company had challenged the Impugned Award passed by the arbitral tribunal whereby it had awarded an amount of only ₹ 10.00 crores as against the claim amount of ₹ 100.00 crores. The matter is currently pending adjudication.

18. Our unincorporated joint venture (JMC-CHEC-JV) invoked arbitration proceedings and filed a claim of ₹ 395.23 crores against the Delhi Metro Rail Corporation ("**Respondent**"), towards various costs and expenses incurred due to delays attributable to the Respondent, along with, *inter alia*, pendent lite and future interest on the amount claimed till the date of actual receipt, in relation to a tender issued by the Respondent, which was awarded to our Company vide the Respondent's letter of acceptance dated April 11, 2012. Respondent has filed counterclaim of ₹ 12.80 crores The matter is currently pending.

19. Our Company is currently involved in arbitration proceedings against Telecommunications Consultants India Limited ("**TCIL**"), in relation to disputes emanating from a contract dated June 2, 2015. Disputes arose over attributability of the delays and other miscellaneous issues. Our Company filed a statement before the arbitral tribunal asserting a claim of ₹ 304.08 crores and in response, TCIL has filed a counterclaim seeking an amount of ₹ 39.14 crores. The matter is currently pending adjudication.

Against our Company

1. An objection petition dated July 25, 2023, has been filed by Union of India, Ministry of Health and Family Welfare ("**Petitioner**") against an arbitral award passed in favour of our Company, under section 34 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi ("**Court**") for setting aside the impugned award amounting to approximately ₹ 66 crores ("**Awarded Amount**"), on March 25, 2023, and

corrected on April 28, 2023 ("**Award**"), in relation to a dispute arising out of an agreement dated August 12, 2010, between our Company and the Petitioner for delay in construction of a hospital complex at All India Institute of Medical Sciences, Bhopal. Meanwhile, the Petitioner, filed for, *inter alia*, stay of the operation of the Award on July 25, 2023. Subject to deposit of 100% of the Awarded Amount, the execution of the Award was stayed. The Petitioner has deposited the Awarded Amount in compliance of the aforesaid order and our Company has been given the liberty by the Court to withdraw the same on furnishing a bank guarantee from any scheduled bank. The matter is currently pending.

2. A petition has been filed by Engineers India Limited ("**EIL**") on October 6, 2018, under section 34 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi ("**Court**") for setting aside an arbitral award passed in favour of our Company ("**Award**") amounting to ₹ 28.18 crores in relation to a dispute arising out of a project awarded by EIL to our Company for the civil, structural and water proofing works for EIL's office complex and alleged delay in execution of the same. Subsequently, the Court *vide* order dated January 10, 2019, allowed the stay of operation of the Award at the condition of EIL depositing a portion of the awarded sums with the registry of the Court and release of such amount to our Company was subject to furnishing of bank guarantee. Accordingly, upon furnishing the bank guarantee, the amount to the extent of approximately ₹ 9.27 crores was released in favour of our Company. Our Company has simultaneoulsy availed Vivad se Vishwas Scheme, notified by the Government of India, which has been rejected illegally against which our Company has filed a writ petition before the High Court of Delhi. The matters are currently pending.

3. Our Company issued a purchase order on October 4, 2021, to Emirates Precast Construction LLC ("**EPC**") for the supply of cable trough (precast) for construction of 132kV OHL and cable works between HATTA PSHPP (HATTAPSHP) 132kV S/S and WARSAN (WRSN) 400/132 kV S/S and associated modification works for a total order price of AED 23,672,625.04. This order was further amended on January 13, 2023, and the total order price was fixed at AED 22,041,642.20. A dispute emerged between the parties wherein, EPC, through its advocates, issued multiple letters and made a claim on the Company for alleged storage charges. The Company has refuted the claims of EPC. Thereafter, EPC has applied to initiate the arbitration for a claim of AED 54,299,605.05 (equivalent to approximately ₹ 124.32 crores).

Actions taken by regulatory and statutory authorities involving our Company

Nil

Litigation involving our Subsidiaries

Criminal proceedings involving our Subsidiaries

Nil

Material civil litigations involving our Subsidiaries

(i) ***Vindhyachal Expressway Private Limited ("VEPL")***

1. VEPL initiated arbitration against the Ministry of Road Transport and Highways ("**MoRTH**") and Madhya Pradesh Road Development Corporation ("**MPRDC**") (hereinafter collectively referred to as the "**Respondents**"). The arbitral tribunal in terms of its award dated January 14, 2023, directed the parties to compute the amount as per the methodology provided therein which would be treated as an awarded amount. Accordingly, VEPL calculated the amount as ₹ 291.14 crores and requested the Respondents to confirm the same. The Respondents also filed petition under section 34 of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**") along with condonation of delay application before the Commercial Court, Bhopal ("**Court**"), which was dismissed on November 3, 2023. Simultaneously, VEPL also filed an execution petition, which is pending before the said Court. The dismissal order dated November 3, 2023, was challenged by MPRDC before the High Court of Madhya Pradesh at Jabalpur and the said challenge was allowed on February 28, 2024. Thereafter, VEPL filed a special leave petition before the Supreme Court of India challenging the aforesaid order dated February 28, 2024, which is pending. VEPL has simultaneously also availed Vivad se Vishwas Scheme. However, MoRTH communicated that the relevant committee has rejected the settlement request. VEPL filed a writ petition against such rejection before the High Court of Delhi and the matter is currently pending.

(ii) ***Wainganga Expressway Private Limited ("WEPL")***

1. National Highways Authority of India (NHAI), through their lawyer, has served an advance copy of the petition under section 34(5) of the Arbitration and Conciliation Act, 1996, on WEPL, to be filed before the Delhi High Court, challenging the arbitral award dated July 31, 2024, and seeks setting aside of the award amounting to approximately ₹ 289 crores including interest and costs.

(iii) ***Shree Shubham Logistics Limited ("SSLL")***

1. SSLL has filed its statement of claims, along with a section 17 application under the Arbitration and Conciliation Act, 1996, before the sole arbitrator against Rajasthan State Warehousing Corporation ("**RSWC**"), claiming ₹ 27.71 crores. RSWC has filed its reply. The matter is currently pending.

(iv) ***Kalpataru Power Chile SpA***

1. Kalpataru Power Chile SpA ("**KPC**"), a subsidiary of our Company, is involved in a dispute with Sasem Engineering and Construction SpA ("**Sasem**") regarding a subcontract agreement dated November 16, 2022, for the execution of an electrical substation project at La Negra, Chile. As part of their commercial relationship, KPC extended an amount of US$11,923,225 (approximately ₹ 100.26 crores) ("**Outstanding Amount**") to Sasem to enable the completion of the project and fulfilment of labour obligations. The aforesaid amount was secured through four promissory notes (~US$8.9M) and four mortgages, with guarantors ensuring the payment obligations. To recover the Outstanding Amount, KPC filed five civil suits before the Civil Courts in Santiago, Chile, against Sasem and the guarantors. The suits are currently pending adjudication for the recovery of the due amounts.

(v) ***Fasttel Engenharia S.A.***

1. Fasttel Engenharia S.A., ("**Fasttel/Plaintiff**") and São Francisco Transmissão De Energia S.A. ("**São Francisco/Defendant**") have signed contract for the implementation of transmission lines on July 19, 2022. During the course of execution of the contract, the parties have signed two amendments and memorandum of understanding ("**MoU**") (combinedly referred as "**Contract**"). The Defendant has defaulted in complying with its payment obligations amounting to R$17 million referring to the first two instalments provided for in the MoU, in the amount of R$8,500,000,00 each which were recognized by São Francisco as being due because of services that had already been carried out before the MoU was signed. Therefore, the Plaintiff has filed the enforcement suit requesting to (i) summon São Francisco so that, within three days, it pays the amount of R$ 17.416.132,66 (approximately ₹ 24.5 crores) which must be updated until the date of actual payment, plus succumbence fees of 10%, pursuant to article 827 of the Código de Processo Civil ("**CPC**"), and the amount of the reimbursement of court costs incurred by Fasttel; (ii) in the event of non-payment of the enforced credit within the legal deadline, in accordance with articles 829, §2 and 854 of the CPC, the online seizure of current accounts and financial investments held by the Defendant, up to the limit of the enforcement amount. The matter is pending before the court.

Actions taken by regulatory and statutory authorities involving our Subsidiaries

Nil

Litigation involving our Directors

Criminal proceedings involving our Directors

1. Shrishti Building No. 343 CHS Ltd. ("**Complainant**") filed a criminal complaint ("**Complaint**") before Judicial Magistrate First Class, Thane ("**Court**") against Azure Tree Townships LLP ("**ATTLLP**"), Mofatraj P. Munot and others ("**Opponents**") in relation to flats in Shrishti Building No. 343 situated in village Mira, Thane ("**Flats**") under sections 4, 5, 9 and 10 read with section 13 of the Maharashtra Ownership of Flats Act, 1956 ("**Act**") and under sections 406, 415, 420, 463, 464 read with section 34 of the Indian Penal Code, 1860. The Complaint stated, *inter alia*, that the Opponents sold the Flats to the Complainant and its members in breach of statutory and contractual obligations; and the Opponents misappropriated funds collected from the Complainant and its members. The Complainant prayed, *inter alia*, the Complaint be registered against the Opponents and issue of process be ordered. Pursuant thereto, the Court passed an order dated February 2, 2017 ("**Order**") and issued process under section 13 of the Act. The Opponents filed a revision application

before Sessions Court Thane, to set aside the Order. The Sessions Court Thane, vide an order dated March 20, 2018, has set aside the Order and remanded back the matter for fresh enquiry. The matter is currently pending.

2. Haroon Ibrahim Patel filed a complaint before the Metropolitan Magistrate Court, Andheri ("**Court**") against Mofatraj P. Munot, Haresh Khiamal Nanwani and officers of the revenue department, Nandkishor Balsaraf and Vishwanath Patil ("**Opponents**"), under sections 420, 465, 467, 468, 471, 474, 120B and 34 of IPC, *inter alia*, alleging that, with a common intentions to benefit themselves, all Opponents fabricated revenue records at Tahsil office, Andheri (West) and removed the name of Ibrahim Rajmohammad Patel from the records in 1992 and substituted their own names. The Court *vide* its order dated July 31, 2018, issued a process (summons) against Opponents for the alleged offences. Subsequently, Mofatraj P. Munot filed a criminal revision application before the City Civil and Sessions Court, Dindoshi, challenging the issuance of the process by the Court. A stay has been granted in favour of Mofatraj P. Munot and is continuing till date. The matter is currently pending.

3. Uday Bhivaji Kathe ("**Complainant**") filed a complainant before the Metropolitan Magistrate at Bandra ("**Court**") against Parag M. Munot and others ("**Opponents**"), *inter alia*, alleging a breach of the terms of the memorandum of understanding dated June 20, 2007, executed between the Complainant and Parag M. Munot regarding the Shekhadi – Shrivardhan land. The Court *vide* its order dated October 29, 2013, dismissed the complaint ("**Dismissal Order**"). Being aggrieved by the Dismissal Order, the Complainant filed a revision application before the Sessions Judge Greater Bombay and the revision application was allowed *vide* an order dated July 18, 2016 ("**Impugned Order**"). By the Session Judge Greater Bombay, who directed to issue process against the Opponents and remanded the complaint back to the Court for further hearing. Subsequently, being aggrieved by the Impugned Order, the Opponents filed an application before the High Court of Judicature at Bombay ("**Bombay High Court**"), challenging the legality, validity, and propriety of the Impugned Order passed by the Session Judge Greater Bombay. The Bombay High Court *vide* its order dated September 2, 2016, stayed the Impugned Order, which is continuing till date. The matter is currently pending.

4. Vinod Shenoy ("**Petitioner**") filed a criminal writ petition before High Court of Judicature at Mumbai against Dynacraft Machine Company Private Limited, Klassik Vinyl Products Private Limited, Punarvasu Constructions Private Limited, Kalpataru Limited, Mofatraj P. Munot, Parag M. Munot, Sagar Diwekar and others ("**Respondents**"), seeking a court direction to the concerned police station to lodge a complaint against the Respondents. The Petitioner alleges that after filing mental health petition on February 2, 2015, before the City Civil and Sessions Court, Bombay, the Respondent no. 7 wrongfully confined the Petitioner's mother, Ms. Jessica Lukmani, has since passed away. The matter is currently pending.

5. Parag M. Munot, Mofatraj P. Munot, Narendra K Lodha, Anuj Munot, Devesh Bhatt, Imtiyaz I. Kanga, and Omprakash Mehta (hereinafter collectively referred to as the "**Petitioners**"), filed a criminal writ petition ("**Petition**") before the High Court of Mumbai ("**Bombay High Court**") against the State of Maharashtra and Ishwarlal Vanjara, seeking to quash and set aside the order dated May 16, 2024 ("**Order**") issued by the special court set up under the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999, at Greater Bombay ("**Special Court**"). Certain customers of Keyana Estate LLP (formerly known as Kiyana Ventures LLP) ("**Keyana**") who had purchased flats in the project Kalpataru Radiance had filedmiscellaneous applications before the Special Court alleging that in spite of making substantial payments, the flats have not been handed over. The Special Court *vide* the Order directed the police to investigate the matter under section 156(3) of the Code of Criminal Procedure, 1973. The police registered a first information report ("**FIR**") at the Goregaon police station, Mumbai, and *vide* letter dated June 24, 2024 ("**June Letter**"), directed ICICI Bank Limited to freeze debit of funds from two of Keyana's bank accounts ("**Bank Accounts**").Thereafter, the Bombay High Court *vide* its order dated June 28, 2024, granted ad-interim relief, by staying the investigation in the FIR, which is continuing till date. The Petitioners have also filed interim application ("**Application**") in the Petition inter alia seeking to quash and set aside the June Letter, issued by the police in connection with FIR. The Bombay High Court vide its order dated July 25, 2024, accepted the statement of the Assistant Public Prosecutor that necessary instructions to ICICI Bank, Goregaon (West) branch would be issued by the Investigating Officer to allow Keyana to pay its statutory dues. The Bombay High Court *vide* an order dated July 30, 2024, permitted Keyana to make payments of statutory dues and/or other government dues only from the Bank Accounts. The matter is currently pending.

6. Our Company had issued various purchase orders in favour of Santoshi Hyvolt Electricals Private Limited ("**Santoshi**"). Certain issues arose between the parties as a result of which our Company initiated arbitration

proceedings against Santoshi. Subsequently, Santoshi filed a complaint before the Gautam Budh Nagar court, Noida ("**Court**") under section 156(3) of the Code on Criminal Procedure, 1973 ("**CrPC**") seeking direction to file a first information report ("**FIR**") in relation to five purchase orders which Santoshi has alleged to be forged. The Court directed the police to register the FIR, pursuant to which our Company filed three quashing petitions on behalf of P. Kalyana Krishnan, Parag M. Munot, Non-Executive Non-Independent Director of our Company, Manish Mohnot, Managing Director and Chief Executive Officer of our Company (hereinafter collectively referred to as the "**Petitioners**"). The Allahabad High Court, vide orders dated December 7, 2022, December 20, 2022, and January 25, 2023, directed the stay on the arrest of the Petitioners, and also directed the authorities to not take any coercive action pursuant to the FIR. Subsequently, a final report was filed by the investigating officer seeking closure of the impugned FIR. Santoshi also filed a protest petition against the closure report. Further, Company has filed a contempt petition against Santoshi for misleading the courts by filing similar application before two different courts of same jurisdiction. The Company has also filed application under sections 182 and 211 of Indian Penal Code, 1860 against Santoshi for providing wrong information to the public authorities. Both these matters are pending for hearing before the District Court at Gautam Budh Nagar, Noida.

7. Bhanwar Singh ("**Petitioner**"), a sub-contractor for the Star Court project at J.P. Greens, Greater Noida, filed a complaint ("**Complaint**") under section 156(3) of the Code of Criminal Procedure, 1973 ("**CrPC**") on August 1, 2019, against Shailendra Kumar Tripathi and Vijay Mehta ("**Respondents**"), Deputy Managing Director and Assistant Vice President of our Company, respectively, before the Additional Chief Magistrate, Gautam Budh Nagar. The Petitioner alleged an outstanding amount of ₹ 0.67 crores. The trial court summoned the Respondents *vide* order dated March 26, 2021, ("**Summoning Order**"). The Respondents filed a criminal revision before the Additional Sessions Judge, Gautam Budh Nagar, and the Summoning Order was quashed, and the matter was remanded back to the trial court to pass a fresh order *vide* order dated February 24, 2023. On December 20, 2023, the trial court dismissed the Complaint, ruling that the matter was of a civil nature. The Petitioner has challenged the order dated December 20, 2023, by way of criminal revision petition before the High Court of Allahabad. The matter is currently pending, and next date of hearing is awaited.

8. Kaushik Datta, one of the partners of S.B. Hardware Company ("**Complainant**"), has filed a criminal complaint before additional chief metropolitan magistrate at Calcutta, under sections 120B and 420 of the Indian Penal Code, 1860 against Shailendra Kumar Tripathi, a Director of our Company, and two others, alleging that the Company had conspired and cheated Complainant of ₹ 0.036 crores by not paying for paints that were supplied by them against which summoning order was issued. Company along with Shailendra Kumar Tripathi and Tarun Kumar Tripathi filed the petition under section 482 of the Code of Criminal Procedure, 1973 ("**CrPC**") along with a stay application in the Calcutta High Court. Subject to the deposit of the sum of the goods by the Company before the learned Trial Court, the Calcutta High Court granted an interim stay on prosecution *vide* order dated May 10, 2022. The matter is currently pending.

9. Mofatraj P. Munot, Chairman and Non-Executive Non- Independent Director and Shailendra Kumar Tripathi, Deputy Managing Director, are involved in the Chichi Construction matter. For further details, see "*Outstanding Litigation involving our Company – Criminal proceedings by our Company" vide* serial no. 2 on page 259 of this Placement Document.

10. Manish Mohnot, Managing Director and Chief Executive Officer is involved in the Ashwani Kumar matter. For further details, see "*Outstanding Litigation involving our Company – Criminal proceedings by our Company" vide* serial no. 5 on page 260 of this Placement Document.

11. Manish Mohnot, Managing Director and Chief Executive Officer and Shailendra Kumar Tripathi, Deputy Managing Director, are involved in the M. Ravindran S. Muthiah matter. For further details, see "*Outstanding Litigation involving our Company – Criminal proceedings against our Company" vide* serial no. 5 on page 261 of this Placement Document.

Material civil litigation in relation to our Company involving our Directors

Nil

Actions taken by regulatory and statutory authorities involving our Directors

Nil

Any other outstanding litigation involving our Company and Subsidiaries wherein the amount determined cannot be determined or is below the Materiality Threshold, but an adverse outcome could materially and adversely affect the reputation, operations or financial condition of our Company, on a consolidated basis

Nil

Any other outstanding litigation involving our Directors and Promoters wherein an adverse outcome could materially and adversely affect the reputation, operations or financial condition of our Company, on a consolidated basis

Nil

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act or any previous companies law, in the last three years immediately preceding the year of issue of the Placement Document against our Company and our Subsidiaries; and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of issue of this Placement Document, involving our Company and our Subsidiaries

Nil

Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

Nil

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Nil

Default by our Company, and our Subsidiaries (on a consolidated basis) including the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon, as on the date of this Placement Document

Nil

Default in annual filings of our Company under the Companies Act or the rules made thereunder

Nil

All litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of this Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any

Nil

Tax proceedings

We have set out below claims relating to direct and indirect taxes involving our Company and our Subsidiaries in a consolidated manner giving details of number of cases and total amount involved in such claims:

(₹ in crores)

Nature of case	Number of cases	Amount involved*
Company		
Direct Tax	23	205.82
Indirect Tax	94	211.54
Total	**117**	**417.36**
Subsidiaries		

Nature of case	Number of cases	Amount involved*
Direct Tax	1	1.08
Indirect Tax	2	0.40
Total	**3**	**1.48**

* *To the extent quantifiable*

Material Tax Litigation

1. Our Company received assessment order under section 143(3) of the Income Tax Act, 1961 dated October 24, 2024, issued by the Deputy Commissioner of Income Tax, Central Circle 3(3), Mumbai in relation to (i) disallowance of claim under section 80M of the Income Tax Act, 1961 for ₹ 26.94 crores; (ii) non-grant of credit of taxes on buy-back of shares for ₹ 33.01 crores; (iii) non-grant of credit on tax collected at source for ₹ 41,014; (iv) transfer pricing adjusmtments for ₹ 2.70 crores; (v) additions pertaining to carbon credit for ₹ 1.80 crores; (vi) additions made under section 69C for ₹ 3.21 crores. Our Company has filed rectification application before jurisdictional assessing officer for mistakes apparent on record which would reduce the demand to ₹ 2.57 crores. Further, the Company is in process to file an appeal before Income Tax Appellate Tribunal. The matter is currently pending.

2. Our Company received an assessment order for the assessment year 2018-19, dated September 28, 2021, issued by the National Faceless Assessment Centre, Delhi, ("**NeAC**") wherein the NeAC has disallowed the claim of deduction under section 80IA(4) of the Income Tax Act, 1961, amounting to ₹ 73.85 crores. Pursuant to such disallowances, NeAC has raised a demand of ₹ 36.67 crores. Our Company filed an appeal before the Commissioner of Income Tax (Appeals) ("**CIT(A)**") on October 13, 2021. The matter is currently pending before CIT(A).

3. Our Company received a revision notice dated June 3, 2023 under section 32 of the Andhra Pradesh Value Added Tax Act, 2005 issued by the audit department ("**Notice**"). The Notice imposed a liability for payment of value added tax charges amounting to ₹ 28.33 crores under rules 4(7)(a) and 17(1)(g) of the Andhra Pradesh Value Added Tax Rules, 2005. Aggrieved by the impugned Notice our Company filed a writ petition under Article 226 of the Constitution of India before the High Court of Andhra Pradesh at Amravati. The matter is currently pending.

4. Our Company received a show cause notice ("**SCN**") from Central Excise and Service Tax, Ahmedabad – III dated October 24, 2012, in relation to the payment of service tax amounting to ₹ 54.13 crores, alleging value of goods supplied under supply contract should be included in the gross amount for computing the value of works contract for the period from June 2007 to March 2012. Our Company filed a reply to the said SCN on legal strength, based on our submission, thereafter, the proceeding was dropped. Subsequently, department filed an appeal before Customs, Excise & Service Tax Appellate Tribunal ("**CESTAT**") which was dismissed by CESTAT. Against the order passed by CESTAT, department preferred appeal before the Supreme Court of India ("**Supreme Court**") on September 25, 2021. Against the said appeal, our Company preferred a caveat application. The matter is pending for hearing before the Supreme Court.

Defaults in repayment of statutory dues

There are no defaults in repayment of statutory dues (undisputed)*, as on September 30, 2024.

**Tax litigations of income tax, GST, sales tax, custom, etc. involving tax liabilities, if any and pending at various forums are sub judice and therefore not considered as defaults until the final order is received.*

Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

Except as stated below, there have not been any reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this Issue:

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
Six months period ended September 30, 2024	None	Standalone and Consolidated Financial Results	Not applicable	Not applicable
Financial year ended March 31, 2024	**For the Main Audit Report on the standalone financial statements:** **Para 2(B)(f) of Report on Other Legal and Regulatory Requirements** 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	Reservation in the Audit Report on the Standalone Financial Statements	No impact on the financial statement of the Company	Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	accounting software used for maintaining the books of accounts. Further, for the period where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with. **For the Main Audit Report on the consolidated financial statements:** **Para 2(B)(f) of Report on Other Legal and Regulatory Requirements** 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.	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	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 throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with. **For CARO Reporting of Kurukshetra Expressway Private Limited (Joint Venture of the Company):** **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.	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	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.	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable
	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 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.	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable
	For CARO Reporting of Shree Shubham Logistics Limited **Clause (xvii)**			

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	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. **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,	Reservation in the Audit Report on the Consolidated Financial Statements Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis No impact on the financial statement of the Company on Consolidated basis	Not applicable Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	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.			
Financial year ended March 31, 2023	**For the Main Audit Report on the standalone financial statements:** **Emphasis of Matter(s)** a. We draw attention to Note 52 of the standalone financial statements which describes that the Scheme of Amalgamation (the Scheme) between the Company and its subsidiary JMC Projects	Emphasis of Matter in the Audit Report on the Standalone Financial Statements	Not applicable	Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	(India) Limited has been approved by the National Company Law Tribunal ('NCLT') vide its order dated 21 December 2022 with an appointed date of 01 April 2022. Accordingly, the corresponding amounts for the year ended 31 March 2022 have been restated by the Company after recognising the effect of the Scheme as per the applicable accounting standard. Our opinion is not modified in respect of this matter. **For CARO Reporting of Kurukshetra Expressway Private Limited (Joint Venture of the Company):** **Clause (ix)(a)** According to the information and explanations given to us and as per the books of accounts and records examined by us, in our opinion, read with the fact that the project has been terminated and there are no operations 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. **Clause (xvii)**	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	The company has incurred cash losses of ₹ 160.72 Lacs & ₹ 3,857.11 Lacs respectively in the current as well as the immediately preceding previous year.	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable
	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 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. **For CARO Reporting of Wainganga Expressway Private Limited** **Clause (ix)(a)**	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	According to the information and explanations given to us and as per the books of accounts and records examined by us, 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, there were delay of 1-89 days during the year. As at the reporting date the aggregate amount of default pertaining to interest and principal aggregated to ₹ 611.87 Lacs and₹ 1514.22 Lacs respectively for which the details may be referred to at Note No. 9(a) of the accompanying financial statements.	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable
Financial year ended March 31, 2022	**For CARO Reporting of Kurukshetra Expressway Private Limited (Joint Venture of the Company):** **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	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	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.			
	Clause (xvii) The company has incurred cash losses of ₹ 3,857.11 Lacs & ₹ 5,652.68 Lacs respectively in the current as well as the immediately preceding previous year.	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable
	Clause (xix) On the basis of the financial ratios, ageing and expected dates of realisation 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 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.	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	For CARO Reporting of Wainganga Expressway Private Limited **Clause (ix)(a)** According to the information and explanations given to us and as per the books of accounts and records examined by us, 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, there were delay of 90 days during the year. As at the reporting date the aggregate amount of default pertaining to interest and principal aggregated to ₹ 772.80 Lacs and ₹ 1,222.60 Lacs respectively for which the details may be referred to at Note No. 9(a) of the accompanying financial statements.	Reservation in the Audit Report on the Consolidated Financial Statements	No impact on the financial statement of the Company on Consolidated basis	Not applicable
Financial year ended March 31, 2021	None	Standalone and Consolidated Financial Statements	Not applicable	Not applicable
Financial year ended March 31, 2020	**For CARO Reporting of the Company:** (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us except fraud on the Company committed by an erstwhile employee of the Company resulting into loss suffered of ₹ 2.45 crore, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during	Reservation on the Standalone Financial Statements	₹ 2.45 Crore	Not applicable

Financial year/period ended	Nature of Adverse Observation	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company for each reservation, qualification, emphasis of matter and adverse remark*
	the year, nor have we been informed of any such case by the management.			

STATUTORY AUDITORS

Our Company's current Statutory Auditors, M/s B S R & Co. LLP, Chartered Accountants, are independent auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI and have been appointed as the statutory auditors of our Company, pursuant to the approval of the shareholders of our Company at the AGM held on July 17, 2023. For details of reservations, qualifications or adverse remarks by our Statutory Auditors for the quarter and half year ended September 30, 2024 and September 30, 2023 and for the Financial Years 2024, 2023 and 2022, see *"Legal Proceedings – Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks"* on page 271.

The Statutory Auditors have issued audit reports dated May 8, 2024, May 8, 2023 and May 14, 2022, and review reports dated October 28, 2024 and November 2, 2023, respectively, for the Audited Consolidated Financial Statements as at and for the Year ended March 31, 2024, March 31, 2023 and March 31, 2022 and the Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2024 and September 30, 2023.

The audit report for the year ended March 31, 2024 comprised of an observation relating to the feature of recording audit trail (edit log) facility which was not enabled at the database layer and for other certain changes for the accounting software used for maintaining the books of account, pursuant to the requirements of Rule 11(g) of Companies (Audit and Auditors) Rules, 2014. The audit reports for the years ended March 31, 2024 and March 31, 2023 comprised of an other matter paragraph, which describes that joint venture, joint operation and certain subsidiaries were audited by other auditor whose reports have been furnished to the Statutory Auditor by the Management. The audit reports for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, comprised of an other matter paragraph, which states that certain of the subsidiaries were audited by other auditor located outside India and the Statutory Auditor has audited only the conversion adjustments made by the Group's management. The audit report for the year ended March 31, 2022, comprised of an other matter paragraph, which describes that certain branches, unincorporated joint venture, joint operation and subsidiaries were audited by other auditor whose reports have been furnished to the Statutory Auditor by the Management. The audit reports for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, comprised of an other matter paragraph, which states that certain subsidiaries were unaudited and for the year ended March 31, 2022, the joint venture was also unaudited. The audit report for the year ended March 31, 2024 comprised of unfavorable remarks in Companies (Auditor's Report) Order, 2020 in respect of joint venture relating to default in repayment of loan and borrowings or in payment of interest thereon and for one joint venture and one subsidiary related to cash losses incurred in the current and immediately preceding financial year and material uncertainty related to the capability 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. The audit reports for the years ended March 31, 2023 and March 31, 2022, comprised of unfavourable remarks in Companies (Auditor's Report) Order, 2020 for joint venture and subsidiary relating to default in repayment of loan and borrowings or in payment of interest thereon and for joint venture related to cash losses incurred in the current and immediately preceding financial year and material uncertainty related to the capability 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; is included in this Placement Document.

The peer review certificate of our current Statutory Auditor, B S R & Co. LLP, Chartered Accountants is valid till July 31, 2025.

FINANCIAL INFORMATION

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
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Limited Review Report on unaudited consolidated financial results of Kalpataru Projects International Limited (formerly known as Kalpataru Power Transmission Limited) for the quarter ended 30 September 2024 and year to date results for the period from 01 April 2024 to 30 September 2024 pursuant to Regulation 33 and Regulation 52(4) read with Regulation 63 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, as amended

To the Board of Directors of Kalpataru Projects International Limited (formerly known as Kalpataru Power Transmission Limited)

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Kalpataru Projects International Limited (formerly known as Kalpataru Power Transmission Limited) (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income of its joint venture for the quarter ended 30 September 2024 and year to date results for the period from 01 April 2024 to 30 September 2024 ("the Statement") (in which are included interim financial financial results of two joint operations), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, as amended.

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, as amended. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity",* issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021,as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of one joint operation included in the unaudited standalone interim financial results of the entities included in the Group, whose results reflect Company's share of total assets of Rs. 76.33 crores as at 30 September 2024 and Company's share of total revenues of Rs. 7.80 crores and Rs. 17.54 crores, Company's share of total net profit after tax of Rs. 0.41 crores and Rs. 1.58 crores and Company's share of total comprehensive income of Rs. 0.41 crores and Rs 1.58 crores, for the quarter ended 30 September 2024 and for the period from 01 April 2024 to 30 September 2024 respectively, and Company’s share of cash inflows (net) of Rs. 0.30 crores for the period from 01 April 2024 to 30 September 2024 as considered in the respective unaudited standalone interim financial results of the entities included in the Group. The interim financial results of this joint operation has been reviewed by the other auditor whose report has been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this joint operation, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

   We did not review the interim financial information of eleven subsidiaries included in the Statement, whose interim financial information reflects total assets (before consolidation adjustments) of Rs. 2,726.66 crores as at 30 September 2024 and total revenues (before consolidation adjustments) of Rs. 432.58 crores and Rs. 958.58 crores, total net (loss) after tax (before consolidation adjustments) of Rs. (7.19) crores and Rs. (17.25) crores and total comprehensive (loss) (before consolidation adjustments) of Rs. (2.89) crores and Rs. (11.82) crores, for the quarter ended 30 September 2024 and for the period from 01 April 2024 to 30 September 2024 respectively, and cash outflows (net) (before consolidation adjustments) of Rs. 76.74 crores for the period from 01 April 2024 to 30 September 2024 as considered in the Statement. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Parent’s management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion is not modified in respect of this matter.

7. The Statement includes the interim financial results of one joint operation which has not been reviewed, whose interim financial results reflect Company's share of total assets of Rs. 165.52 crores as at 30 September 2024 and Company's share of total revenues of Rs. 68.33 crores and Rs. 95.17 crores, Company's share of total net (loss) after tax of Rs. (1.01) crores and Rs. (1.01) crores and Company's share of total comprehensive (loss) of Rs. (1.01) crores and Rs (1.01) crores, for the quarter ended 30 September 2024 and for the period from 01 April 2024 to 30 September 2024 respectively, and Company’s share of cash outflows (net) of Rs. 9.60 crores for the period from 01 April 2024 to 30 September 2024. as considered in the Statement. According to the information and explanations given to us by the Parent’s management, this interim financial results are not material to the Group.

Limited Review Report *(Continued)*

Kalpataru Projects International Limited (formerly known as Kalpataru Power Transmission Limited)

The Statement also includes the interim financial information of twelve subsidiaries which have not been reviewed, whose interim financial information reflects total assets (before consolidation adjustments) of Rs. 1,451.67 crores as at 30 September 2024 and total revenues (before consolidation adjustments) of Rs. 363.59 crores and Rs. 683.71 crores, total net profit / (loss) after tax (before consolidation adjustments) of Rs. 7.12 crores and Rs. (28.09) crores and total comprehensive income / (loss) (before consolidation adjustments) of Rs. 9.96 crores and Rs. (32.29) crores, for the quarter ended 30 September 2024 and for the period from 01 April 2024 to 30 September 2024 respectively, and cash inflows (net) (before consolidation adjustments) of Rs. 51.54 crores for the period from 01 April 2024 to 30 September 2024 as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. Nil and Rs. Nil and total comprehensive income of Rs. Nil and Rs. Nil, for the quarter ended 30 September 2024 and for the period from 01 April 2024 to 30 September 2024 respectively as considered in the Statement, in respect of one joint venture, based on its interim financial information which has not been reviewed. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

BHAVESHKUMAR HARSHADKUMAR DHUPELIA

Digitally signed by BHAVESHKUMAR HARSHADKUMAR DHUPELIA
Date: 2024.10.28 17:22:33 +05'30'

Bhavesh Dhupelia

Partner

Mumbai

28 October 2024

Membership No.: 042070

UDIN:24042070BKCRAK8280

Annexure I

List of entities included in unaudited consolidated financial results.

Sr. No	Name of component	Relationship
1	Kalpataru Projects International Limited (formerly known as Kalpataru Power Transmission Limited)	Parent Company
2	Shree Shubham Logistics Limited	Subsidiary
3	Energylink (India) Limited	Subsidiary
4	Amber Real Estate Limited	Subsidiary
5	Adeshwar Infrabuild Limited (under process of striking off)	Subsidiary
6	Kalpataru Metfab Private Limited	Subsidiary
7	Kalpataru Power Transmission (Mauritius) Limited	Subsidiary
8	Kalpataru Power Transmission USA Inc.	Subsidiary
9	LLC Kalpataru Power Transmission Ukraine	Subsidiary
10	Kalpataru IBN Omairah Company Limited	Subsidiary
11	Kalpataru Power Transmission Sweden AB	Subsidiary
12	Kalpataru Power Senegal SARL	Subsidiary
13	Kalpataru Power DO Brasil Participacoes S.A.	Subsidiary
14	Brij Bhoomi Expressway Private Limited	Subsidiary
15	JMC Mining and Quarries Limited	Subsidiary
16	Vindhyachal Expressway Private Limited	Subsidiary
17	Wainganga Expressway Private Limited	Subsidiary
18	Kalpataru Power Chile SpA	Subsidiary
19	Saicharan Properties Limited	Step down subsidiary

20	Punarvasu Financial Services Private Limited	Step down subsidiary
21	Kalpataru Power DMCC	Step down subsidiary
22	Linjemontage i Grastorp Aktiebolag	Step down subsidiary
23	Linjemontage Service Nordic AB	Step down subsidiary
24	Linjemontage AS	Step down subsidiary
25	Fasttel Engenharia S.A.	Step down subsidiary
26	Kurukshetra Expressway Private Limited	Joint Venture

KALPATARU PROJECTS INTERNATIONAL LIMITED
(FORMERLY KNOWN AS KALPATARU POWER TRANSMISSION LIMITED)
REGISTERED OFFICE : Plot No. 101, Part III, G.I.D.C. Estate, Sector - 28, Gandhinagar - 382 028
CIN : L40100GJ1981PLC004281
Tel Nos. : +91 79 232 14000; **Fax Nos.:** +91 79 232 11966 / 71; **E Mail :** cs@kalpataruprojects.com

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2024

(Rs. in Crores)

Sr. No.	Particulars	For the Quarter ended			For the Half Year Ended		For the Year ended
		September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	March 31, 2024 (Audited)
1	Revenue from operations	4,929.93	4,586.60	4,518.44	9,516.53	8,759.34	19,626.43
2	Other income	17.05	21.99	12.05	39.04	29.76	63.99
3	**Total income (1+2)**	**4,946.98**	**4,608.59**	**4,530.49**	**9,555.57**	**8,789.10**	**19,690.42**
4	**Expenses**						
	(a) Cost of materials consumed	1,871.30	1,789.60	2,008.55	3,660.90	3,651.85	8,187.39
	(b) Changes in inventories of finished goods and Work-in-Progress	(32.00)	(56.37)	(65.46)	(88.37)	(62.99)	17.71
	(c) Erection, sub-contracting & other project expenses	1,888.87	1,736.00	1,491.31	3,624.87	3,020.27	6,595.43
	(d) Employee benefits expenses	501.91	441.83	413.03	943.74	823.10	1,717.63
	(e) Finance costs	150.14	144.45	137.03	294.59	252.28	518.08
	(f) Depreciation and amortisation expenses	117.24	119.27	113.47	236.51	233.21	473.29
	(g) Other expenses	261.50	296.74	300.13	558.24	573.93	1,479.70
	Total expenses	**4,758.96**	**4,471.52**	**4,398.06**	**9,230.48**	**8,491.65**	**18,989.23**
5	Profit before exceptional Items and tax (3-4)	188.02	137.07	132.43	325.09	297.45	701.19
6	Share of profit/(loss) of Joint Ventures	-	-	-	-	-	-
7	Profit before exceptional Items and tax (5+6)	188.02	137.07	132.43	325.09	297.45	701.19
8	Exceptional items	-	-	-	-	-	-
9	Profit before tax (7+8)	188.02	137.07	132.43	325.09	297.45	701.19
10	Tax expenses						
	Current tax	65.65	76.36	45.53	142.01	95.20	223.40
	Deferred tax	(3.19)	(23.24)	(2.99)	(26.43)	(0.90)	(38.11)
11	**Profit for the period (9-10)**	**125.56**	**83.95**	**89.89**	**209.51**	**203.15**	**515.90**
12	Other Comprehensive Income (net of tax)	(43.44)	10.41	34.65	(33.03)	10.58	8.94
13	Total Comprehensive Income (net of tax) (11+12)	82.12	94.36	124.54	176.48	213.73	524.84
14	**Net Profit attributable to**						
	a) Owners of the parent	125.50	92.83	88.85	218.33	204.12	509.61
	b) Non-Controlling interest	0.06	(8.88)	1.04	(8.82)	(0.97)	6.29
15	**Other Comprehensive Income attributable to**						
	a) Owners of the parent	(43.32)	10.75	35.03	(32.57)	10.92	9.33
	b) Non-Controlling interest	(0.12)	(0.34)	(0.38)	(0.46)	(0.34)	(0.39)
16	**Total Comprehensive Income attributable to**						
	a) Owners of the parent	82.18	103.58	123.88	185.76	215.04	518.94
	b) Non-Controlling interest	(0.06)	(9.22)	0.66	(9.28)	(1.31)	5.90
17	Paid up equity share capital (Face value of Rs. 2 each)	32.49	32.49	32.49	32.49	32.49	32.49
18	Other equity						5,105.50
19	Earnings per share (EPS) of (Face value of Rs. 2 each) (not annualised)						
	a) Basic	7.73	5.71	5.48	13.44	12.57	31.37
	b) Diluted	7.73	5.71	5.48	13.44	12.57	31.37

See accompanying notes to the financial results

1 **Statement of Assets & Liabilities** **(Rs. in Crores)**

Particulars	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
ASSETS		
Non-Current Assets		
(a) Property, plant and equipments	1,938.16	1,996.33
(b) Capital work in progress	42.09	33.32
(c) Right of Use Assets	128.02	102.93
(d) Goodwill	183.29	184.30
(e) Other Intangible Assets	763.45	789.48
(f) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	88.00	131.05
(iii) Others	181.84	194.73
(g) Deferred tax assets (net)	210.87	187.66
(h) Non-Current Tax Assets (net)	0.74	1.17
(i) Other non-current assets	149.16	137.81
Total Non-Current Assets	**3,685.62**	**3,758.78**
Current Assets		
(a) Inventories	1,545.05	1,353.36
(b) Financial assets		
(i) Trade receivables	6,052.63	5,805.29
(ii) Cash and cash equivalents	705.09	1,009.33
(iii) Other balances with banks	59.28	22.66
(iv) Loans	62.82	62.82
(v) Others	733.74	465.63
(c) Current tax assets (net)	186.26	161.49
(d) Other current assets	9,143.35	8,379.78
(e) Assets classified as held for sale	1,027.03	1,018.57
Total Current Assets	**19,515.25**	**18,278.93**
TOTAL ASSETS	**23,200.87**	**22,037.71**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	32.49	32.49
(b) Other equity	5,161.31	5,105.50
(c) Non-Controlling Interests	(34.46)	(25.18)
Total Equity	**5,159.34**	**5,112.81**
LIABILITIES		
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	1,465.98	1,447.54
(ia) Lease liabilities	56.36	45.76
(ii) Trade payable		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	106.08	115.60
(iii) Other financial liabilities	447.48	428.87
(b) Provisions	49.76	52.12
(c) Deferred Tax Liabilities (net)	12.91	23.30
(d) Other non-current liabilities	18.12	24.08
Total Non-Current Liabilities	**2,156.69**	**2,137.27**
Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	3,277.19	2,461.66
(ia) Lease liabilities	59.10	53.24
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	334.21	224.89
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	5,164.88	5,630.58
(iii) Other financial liabilities	840.67	856.55
(b) Other Current Liabilities	5,191.74	4,636.91
(c) Provisions	555.06	470.53
(d) Current tax liabilities (net)	85.21	43.83
(e) Liabilities directly associated with assets held for sale	376.78	409.44
Total Current Liabilities	**15,884.84**	**14,787.63**
TOTAL EQUITY AND LIABILITIES	**23,200.87**	**22,037.71**

2 The above results were reviewed by the Audit Committee and approved by the Board at their meeting held on October 28, 2024. The statutory auditors have conducted review of these financial results in terms of regulation 33 and regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and have issued unmodified review report.

3 Statement of cashflows and additional disclosure as per Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 are attached as annexure I and II respectively.

4 Business segments in consolidated results are Engineering, Procurement and Construction (EPC), Operation and Maintenance of Infrastructure Projects (Developmental Projects).

(Rs. in Crores)

Sr. No.	Particulars	For the Quarter ended			For the Half Year Ended		For the Year ended
		September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	March 31, 2024 (Audited)
A	Segment Revenue						
	EPC	4,824.58	4,469.18	4,403.07	9,293.76	8,528.51	19,147.81
	Development Projects	53.40	65.06	64.15	118.46	127.80	279.99
	Others	69.63	53.33	51.27	122.96	103.32	199.04
	Total	4,947.61	4,587.57	4,518.49	9,535.18	8,759.63	19,626.84
	Less: Inter Segmental Revenue	(17.68)	(0.97)	(0.05)	(18.65)	(0.29)	(0.41)
	Net Segment Revenue	4,929.93	4,586.60	4,518.44	9,516.53	8,759.34	19,626.43
B	Segment Results						
	EPC	290.21	241.15	190.44	531.36	417.40	1,003.51
	Development Projects	31.31	17.06	59.68	48.37	91.20	135.72
	Others	6.71	13.91	6.54	20.62	15.42	22.24
	Total	328.23	272.12	256.66	600.35	524.02	1,161.47
	Less: Finance Costs	(150.14)	(144.45)	(137.03)	(294.59)	(252.28)	(518.08)
	Add: Interest Income	9.93	9.40	12.80	19.33	25.71	57.80
	Share of profit/(loss) of Joint Ventures	-	-	-	-	-	-
	Profit before Tax	188.02	137.07	132.43	325.09	297.45	701.19
C	Segment Assets						
	EPC	20,769.33	20,129.00	18,063.03	20,769.33	18,063.03	19,581.14
	Development Projects	1,898.90	1,908.96	1,966.67	1,898.90	1,966.67	1,937.14
	Others	532.64	541.56	548.81	532.64	548.81	519.43
	Total	23,200.87	22,579.52	20,578.51	23,200.87	20,578.51	22,037.71
D	Segment Liabilities						
	EPC	16,832.98	16,139.28	14,367.39	16,832.98	14,367.39	15,639.45
	Development Projects	1,036.92	1,065.59	1,191.62	1,036.92	1,191.62	1,105.48
	Others	171.63	167.64	218.48	171.63	218.48	179.97
	Total	18,041.53	17,372.51	15,777.49	18,041.53	15,777.49	16,924.90

5 Key standalone financial information:

(Rs. in Crores)

Particulars	For the Quarter ended			For the Half Year Ended		For the Year ended
	September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	March 31, 2024 (Audited)
Total Income	4,162.53	3,751.41	3,868.56	7,913.94	7,519.73	16,873.11
Net Profit before tax	183.61	164.02	160.05	347.63	334.69	738.79
Net Profit after tax	132.32	116.64	112.88	248.96	239.13	533.00

6 During the current year, on 9th October 2024, the Company entered into definitive agreements to sell its entire 100% stake in Vindhyachal Expressway Private Limited (VEPL), a wholly owned subsidiary of the Company, to Actis Atlantic Holdings Limited (Actis), subject to requisite approvals and compliances of conditions precedent.

7 During the year ended March 31, 2024, 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. Subsequently the income tax department issued notices to the Company under section 148 of the Income Tax Act, 1961 for the Assessment years from 2013 – 14 to 2020 – 21. The Company has complied with these notices and is responding to the questionnaires received from the department and does not expect any material adjustments to the above financial results at this stage.

8 During the year ended March 31, 2024, 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. During the current quarter, the Company has received show cause notice from the authorities. The Company is complying with the notice and does not expect any material adjustments to the above financial results at this stage.

For and on behalf of the Board of Directors
For KALPATARU PROJECTS INTERNATIONAL LTD.
(FORMERLY KALPATARU POWER TRANSMISSION LTD.)

MANISH DASHRATHMAL MOHNOT
Digitally signed by MANISH DASHRATHMAL MOHNOT
Date: 2024.10.28 16:52:58 +05'30'

Place : Mumbai
Dated : October 28, 2024

Manish Mohnot
Managing Director & CEO
DIN:01229696

Please visit our website: **www.kalpataruprojects.com**

BHAVESHKUMAR HARSHADKUMAR DHUPELIA
Digitally signed by BHAVESHKUMAR HARSHADKUMAR DHUPELIA
Date: 2024.10.28 17:24:34 +05'30'

Annexure I
Statement of cash flows

(Rs. in Crores)

Particulars	For the Half Year Ended September 30, 2024 (Unaudited)	For the Half Year Ended September 30, 2023 (Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	209.51	203.15
Adjustments for :		
Tax Expenses	115.58	94.30
Depreciation and Amortization Expenses	236.51	233.21
Finance Costs	294.59	252.28
Interest Income	(19.32)	(25.71)
Profit on sale of Property, Plant and Equipment (net)	(14.58)	(2.02)
Liabilities written back	(0.43)	(0.61)
Allowance for Expected Credit Losses	14.66	(10.86)
Expected credit losses provision for loans and advances given to JV	-	0.89
Impairment loss on asset held for sale	0.61	0.03
Unrealised Foreign Exchange Gain	19.98	5.33
Net Gain arising on financial assets	-	(0.23)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**857.11**	**749.76**
Adjustments for:		
Trade and other receivables	(1,269.41)	(1,423.79)
Inventories	(191.69)	(119.01)
Trade and other payables	318.56	894.33
CASH GENERATED FROM / (USED IN) OPERATIONS	(285.43)	101.29
Income tax paid	(107.72)	(196.52)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(393.15)**	**(95.23)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure on property, plant and equipments &intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure)	(289.12)	(107.26)
Proceeds from disposal of Property, Plant and Equipments	46.81	1.12
Proceeds from sale Investments (net)	-	4.80
Loans received back from others	50.00	-
Loans given to others	(50.00)	(45.89)
Interest Received	19.32	25.71
Deposits with Banks (Net)	(18.55)	18.45
NET CASH USED IN INVESTING ACTIVITIES	**(241.54)**	**(103.07)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Current/Non Current Borrowings	171.22	12.18
Proceeds from Issue of Non Convertible Debentures	300.00	300.00
Redemption of Non Convertible Debentures	(223.00)	(100.00)
Repayment of Current/Non Current Borrowings	(159.94)	(277.32)
Net increase in short-term borrowings	703.59	225.24
Payment of lease liabilities	(36.80)	(29.24)
Finance Costs Paid	(290.51)	(250.56)
Dividends Paid	(129.96)	(113.71)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**334.60**	**(233.41)**
Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	(4.67)	0.50
D. NET DECREASE IN CASH AND CASH EQUIVALENTS	**(304.76)**	**(431.21)**
E. Opening Cash and Cash Equivalents	1,010.21	957.51
F. Closing Cash and Cash Equivalents*	**705.45**	**526.30**

*Cash and Cash Equivalent includes Rs. 0.36 Crores (previous year Rs. 0.87 Crores) pertaining to assets held for sale.

Annexure II

Additional disclosure as per Regulation 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

		For the Quarter ended			For the Half Year Ended		For the Year ended
Particulars		**September 30, 2024 (Unaudited)**	**June 30, 2024 (Unaudited)**	**September 30, 2023 (Unaudited)**	**September 30, 2024 (Unaudited)**	**September 30, 2023 (Unaudited)**	**March 31, 2024 (Audited)**
Debenture Redemption Reserve	(Rs. in Crores)	-	-	4.03	-	4.03	-
Capital Redemption Reserve	(Rs. in Crores)	1.16	1.16	1.16	1.16	1.16	1.16
Net Worth	(Rs. in Crores)	5,193.80	5,241.57	4,833.99	5,193.80	4,833.99	5,137.99
Debt Equity Ratio	Times	0.91	0.88	0.80	0.91	0.80	0.76
Debt Service Coverage Ratio (DSCR)	Times	0.88	1.23	0.91	1.02	1.04	1.20
Interest Service Coverage Ratio (ISCR)	Times	2.59	2.34	2.49	2.46	2.72	2.91
Current Ratio	Times	1.23	1.26	1.23	1.23	1.23	1.24
Long Term Debt To Working Capital (LTDWC)	Times	0.50	0.50	0.47	0.50	0.47	0.50
Bad Debts To Account Receivable Ratio	Percent	-	-	-	-	-	-
Current Liability Ratio	Times	0.88	0.86	0.87	0.88	0.87	0.87
Total Debts To Total Assets	Times	0.20	0.20	0.19	0.20	0.19	0.18
Debtors Turnover (Annualised)	Days	114	119	102	117	108	106
Inventory Turnover (Annualised)	Days	75	75	62	74	65	57
Operating Margin	Percent	8.9%	8.2%	8.2%	8.6%	8.6%	8.3%
Net Profit Margin	Percent	2.5%	1.8%	2.0%	2.2%	2.3%	2.6%

Net Worth = Share capital + Reserves (excluding revaluation reserve)
Debt Equity Ratio = Total Debt / Equity (excluding revaluation reserve)
DSCR = (PAT+Interest+Depreciation+Loss/gain on sale of PPE) / (Interest + Lease payment + Principal Repayment of long term debt)
ISCR = (PAT+Interest+Depreciation+Loss/gain on sale of PPE) / Interest expenses
Current Ratio = Current Assets / Current Liabilities
LTDWC = Long term debt (Including current maturities of long term borrowing) / Net Working capital (excluding current maturities of long term borrowing)
Bad Debts To Account Receivable Ratio = Bad debt written off / Average trade receivables
Total Debts To Total Assets = Total Debts / Total Assets
Current Liability Ratio = Current Liability / Total Liability
Debtors Turnover = Average Accounts Receivable / Net Sales
Inventory Turnover = Average Inventory / Cost of goods sold
Operating Margin = Operating profit / Sales (Operating profit is profit before exceptional items and tax, depreciation, finance costs and other income)
Net Profit Margin = Profit after tax / Sales

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Limited Review Report on unaudited consolidated financial results of Kalpataru Projects International Limited (formerly known as Kalpataru Power Transmission Limited) for the quarter ended 30 September 2023 and year to date results for the period from 01 April 2023 to 30 September 2023 pursuant to Regulation 33 and Regulation 52(4) read with Regulation 63 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Kalpataru Projects International Limited (formerly known as Kalpataru Power Transmission Limited)

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Kalpataru Projects International Limited (formerly known as Kalpataru Power Transmission Limited) (hereinafter referred to as “the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) and its share of the net profit after tax and total comprehensive income of its joint venture for the quarter ended 30 September 2023 and year to date results for the period from 01 April 2023 to 30 September 2023 (“the Statement”) (in which are included interim financial financial results from one of joint operation). being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”,* issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 7 to the accompanying unaudited consolidated financial results, describing the search operations under the Income Tax, 1961 that took place in current quarter on 4 August

2023. Pending communication of the search proceedings from the department, the consequent impact on the financial results for the quarter and period ended 30 September 2023, if any, is currently not ascertainable. Our conclusion is not modified in this respect.

7. We did not review the interim financial results of one joint operation included in the unaudited standalone interim financial results of the entities included in the Group, whose results reflect Company's share of total assets of Rs. 73.81 crores as at 30 September 2023 and Company's share of total revenues of Rs. 13.49 crores and Rs. 28.36 crores, Company's share of total net profit after tax of Rs. 1.46 crores and Rs. 5.94 crores and Company's share of total comprehensive income of Rs. 1.46 crores and Rs. 5.94 crores, for the quarter ended 30 September 2023 and for the period from 01 April 2023 to 30 September 2023 respectively, and cash outflows (net) of Rs. 0.73 crores for the period from 01 April 2023 to 30 September 2023. as considered in the respective unaudited standalone interim financial results of the entities included in the Group. The interim financial results of this joint operation has/have been reviewed by the other auditor whose reports has been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this joint operation, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

   We did not review the interim financial information of ten subsidiaries included in the Statement, whose interim financial information reflects total assets (before consolidation adjustments) of Rs. 2,276.38 crores as at 30 September 2023 and total revenues (before consolidation adjustments) of Rs. 250.58 crores and Rs. 560.77 crores, total net loss after tax (before consolidation adjustments) of Rs. 1.09 crores and Rs. 15.62 crores and total comprehensive loss (before consolidation adjustments) of Rs. 1.28 crores and Rs. 18.68 crores, for the quarter ended 30 September 2023 and for the period from 01 April 2023 to 30 September 2023 respectively, and cash outflows (net) (before consolidation adjustments) of Rs. 83.49 crores for the period from 01 April 2023 to 30 September 2023. as considered in the Statement. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Certain of these subsidiaries are located outside India whose interim financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion 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 Parent and reviewed by us.

   Our conclusion is not modified in respect of this matter.

Limited Review Report *(Continued)*

Kalpataru Projects International Limited (formerly known as Kalpataru Power Transmission Limited)

8. The Statement includes the interim financial information of thirteen subsidiaries which have not been reviewed, whose interim financial information reflects total assets (before consolidation adjustments) of Rs. 1,420.20 crores as at 30 September 2023 and total revenues (before consolidation adjustments) of Rs. 426.40 crores and Rs. 709.50 crores, total net loss after tax (before consolidation adjustments) of Rs. 15.24 crores and Rs. 13.88 crores and total comprehensive loss (before consolidation adjustments) of Rs. 20.12 crores and Rs. 14.45 crores, for the quarter ended 30 September 2023 and for the period from 01 April 2023 to 30 September 2023 respectively, and cash outflows (net) (before consolidation adjustments) of Rs. 39.77 crores for the period from 01 April 2023 to 30 September 2023. as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. Nil and Rs. Nil and total comprehensive income of Rs. Nil and Rs. Nil, for the quarter ended 30 September 2023 and for the period from 01 April 2023 to 30 September 2023 respectively as considered in the Statement, in respect of one joint venture, based on their interim financial information which have not been reviewed. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.

   Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Bhavesh Dhupelia

Partner

Mumbai — Membership No.: 042070

02 November 2023 — UDIN:23042070BGYGQW2951

Annexure I

List of entities included in unaudited consolidated financial results.

Sr. No	Name of component	Relationship
1	Shree Shubham Logistics Limited	Subsidiary
2	Energylink (India) Limited	Subsidiary
3	Amber Real Estate Limited	Subsidiary
4	Adeshwar Infrabuild Limited	Subsidiary
5	Kalpataru Metfab Private Limited	Subsidiary
6	Kalpataru Power Transmission (Mauritius) Limited	Subsidiary
7	Kalpataru Power Transmission USA Inc.	Subsidiary
8	LLC Kalpataru Power Transmission Ukraine	Subsidiary
9	Kalpataru IBN Omairah Company Limited	Subsidiary
10	Kalpataru Power Transmission Sweden AB	Subsidiary
11	Kalpataru Power Senegal SARL	Subsidiary
12	Kalpataru Power DO Brasil Participacoes Ltda.	Subsidiary
13	Brij Bhoomi Expressway Private Limited	Subsidiary
14	JMC Mining and Quarries Limited	Subsidiary
15	Vindhyachal Expressway Private Limited	Subsidiary
16	Wainganga Expressway Private Limited	Subsidiary
17	Kalpataru Power Chile SpA	Subsidiary
18	Fasttel Engenharia S.A.	Step down subsidiary
19	Saicharan Properties Limited	Step down subsidiary

20	Punarvasu Financial Services Private Limited	Step down subsidiary
21	Kalpataru Power DMCC	Step down subsidiary
22	Linjemontage i Grastorp Aktiebolag	Step down subsidiary
23	Linjemontage Service Nordic AB	Step down subsidiary
24	Linjemontage AS	Step down subsidiary
25	Kurukshetra Expressway Private Limited	Joint Venture

KALPATARU PROJECTS INTERNATIONAL LTD.
(FORMERLY KNOWN AS KALPATARU POWER TRANSMISSION LTD.)
REGISTERED OFFICE : Plot No. 101, Part III, G.I.D.C. Estate, Sector - 28, Gandhinagar - 382 028
CIN : L40100GJ1981PLC004281
Tel Nos. : +91 79 232 14000; **Fax Nos.:** +91 79 232 11966 / 71; **E Mail :** cs@kalpatarupower.com

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in Crores)

Sr. No.	Particulars	For the Quarter ended			For the Half Year Ended		For the Year ended
		September 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1	Revenue from operations	4,518	4,241	3,798	8,759	7,475	16,361
2	Other income	12	18	10	30	24	40
3	**Total income (1+2)**	**4,530**	**4,259**	**3,808**	**8,789**	**7,499**	**16,401**
4	**Expenses**						
	(a) Cost of materials consumed	2,009	1,643	1,657	3,652	3,282	6,984
	(b) Changes in inventories of finished goods and Work-in-Progress	(65)	2	26	(63)	(79)	(13)
	(c) Erection, sub-contracting & other project expenses	1,491	1,529	1,144	3,020	2,398	5,413
	(d) Employee benefits expense	413	410	338	823	687	1,447
	(e) Finance costs	137	115	116	252	216	467
	(f) Depreciation and amortisation expense	113	120	94	233	184	392
	(g) Expected credit loss provision for loans and advances given to joint venture / others	1	-	1	1	1	3
	(h) Other expenses	299	275	283	574	522	1,157
	Total expenses	**4,398**	**4,094**	**3,659**	**8,492**	**7,211**	**15,850**
5	Profit before exceptional Items and tax (3-4)	132	165	149	297	288	551
6	Share of profit/(loss) of Joint Ventures	-	-	-	-	-	-
7	Profit before exceptional Items and tax (5+6)	132	165	149	297	288	551
8	Exceptional items	-	-	(5)	-	(17)	91
9	Profit before tax (7+8)	132	165	144	297	271	642
10	Tax expense						
	Current tax	45	50	33	95	89	266
	Deferred tax	(3)	2	13	(1)	(4)	(59)
11	**Profit for the period (9-10)**	**90**	**113**	**98**	**203**	**186**	**435**
12	Other Comprehensive Income (net of tax)	35	(24)	(34)	11	(135)	(56)
13	Total Comprehensive Income (net of tax) (11+12)	125	89	64	214	51	379
14	**Net Profit attributable to**						
	a) Owners of the Company	89	115	86	204	167	441
	b) Non-Controlling interest	1	(2)	12	(1)	19	(6)
15	**Other Comprehensive Income attributable to**						
	a) Owners of the Company	35	(24)	(33)	11	(123)	(43)
	b) Non-Controlling interest	-	-	(1)	-	(12)	(13)
16	**Total Comprehensive Income attributable to**						
	a) Owners of the Company	124	91	53	215	44	398
	b) Non-Controlling interest	1	(2)	11	(1)	7	(19)
17	Paid up equity share capital (Face value of Rs. 2 each)	32	32	30	32	30	32
18	Other equity						4,688
19	Earnings per share (EPS) of Rs. 2 each (Rs.) (not annualised)						
	a) Basic	5.48	7.09	5.78	12.57	11.16	29.06
	b) Diluted	5.48	7.09	5.78	12.57	11.16	29.06

See accompanying notes to the financial results

1 **Statement of Assets & Liabilities** (Rs. in Crores)

Particulars	September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS		
Non-Current Assets		
(a) Property, plant and equipments	1,969	1,981
(b) Capital work in progress	14	52
(c) Right of Use Assets	97	106
(d) Goodwill	181	184
(e) Other Intangible Assets	817	854
(f) Financial assets		
(i) Investments	-	2
(ii) Trade receivables	192	189
(iii) Others	183	156
(g) Deferred tax assets (net)	146	178
(h) Non-Current Tax Assets (net)	1	1
(i) Other non-current assets	120	127
Total Non-Current Assets	**3,720**	**3,830**
Current Assets		
(a) Inventories	1,347	1,228
(b) Financial assets		
(i) Investments	-	3
(ii) Trade receivables	4,743	5,251
(iii) Cash and cash equivalents	525	956
(iv) Other balances with banks	90	103
(v) Loans	103	58
(vi) Others	420	423
(c) Current tax assets (net)	175	186
(d) Other current assets	8,426	6,520
(e) Assets classified as held for sale	1,030	1,023
Total Current Assets	**16,859**	**15,751**
TOTAL ASSETS	**20,579**	**19,581**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	32	32
(b) Other equity	4,802	4,688
(c) Non-Controlling Interests	(32)	(27)
Total Equity	**4,802**	**4,693**
LIABILITIES		
Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	1,298	1,215
(ia) Lease liabilities	45	55
(ii) Trade payable		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	135	161
(iii) Other financial liabilities	411	393
(b) Provisions	35	76
(c) Deferred Tax Liabilities (net)	34	60
(d) Other non-current liabilities	163	327
Total Non-Current Liabilities	**2,121**	**2,287**
Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	2,573	2,468
(ia) Lease liabilities	52	49
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	217	153
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	4,519	4,750
(iii) Other financial liabilities	817	563
(b) Other Current Liabilities	4,532	3,614
(c) Provisions	502	417
(d) Current tax liabilities (net)	7	122
(e) Liabilities directly associated with assets held for sale	437	465
Total Current Liabilities	**13,656**	**12,601**
TOTAL EQUITY AND LIABILITIES	**20,579**	**19,581**

2 The above results were reviewed by the Audit Committee and approved by the Board at their meeting held on November 2, 2023. The statutory auditors have conducted review of these financial results in terms of regulation 33 and regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and have issued unmodified audit report.

3 Statement of cashflows and additional disclosure as per Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 are attached as annexure I and II respectively.

4 Business segments in consolidated results are Engineering, Procurement and Construction (EPC), operation and maintenance of infrastructure projects (Developmental Projects).

(Rs. In Crores)

Sr. No.	Particulars	For the Quarter ended			For the Half Year Ended		For the Year ended
		September 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	March 31, 2023 (Audited)
A	Segment Revenue						
	EPC	4,426	4,148	3,686	8,574	7,275	15,979
	Development Projects	64	64	83	128	140	272
	Others	28	29	30	57	62	116
	Total	4,518	4,241	3,799	8,759	7,477	16,367
	Less: Inter Segmental Revenue	-	-	(1)	-	(2)	(6)
	Net Segment Revenue	4,518	4,241	3,798	8,759	7,475	16,361
B	Segment Results	-					
	EPC	194	233	216	427	432	964
	Development Projects	60	31	36	91	47	112
	Others	2	3	-	5	(8)	(1)
	Total	256	267	252	523	471	1,075
	Less: Finance Costs	(137)	(115)	(116)	(252)	(216)	(467)
	Add: Interest Income	13	13	8	26	16	34
	Share of profit/(loss) of Joint Ventures	-	-	-	-	-	-
	Profit before Tax	132	165	144	297	271	642
C	Segment Assets						
	EPC	18,123	17,749	14,896	18,123	14,896	17,148
	Development Projects	1,967	1,984	2,270	1,967	2,270	1,957
	Others	489	495	489	489	489	476
	Total	20,579	20,228	17,655	20,579	17,655	19,581
D	Segment Liabilities						
	EPC	14,371	14,003	11,752	14,371	11,752	13,396
	Development Projects	1,192	1,222	1,316	1,192	1,316	1,269
	Others	214	219	221	214	221	223
	Total	15,777	15,444	13,289	15,777	13,289	14,888

5 Key standalone financial information:

(Rs. In Crores)

Particulars	For the Quarter ended			For the Half Year Ended		For the Year ended
	September 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	March 31, 2023 (Audited)
Total Income	3,869	3,651	3,308	7,520	6,513	14,449
Net Profit before tax	160	175	145	335	352	738
Net Profit after tax	113	126	104	239	267	531

6 Exceptional gain for the year ended March 31, 2023 includes
(a) Rs 109 crores (net) in respect of an award obtained by an erstwhile power transmission subsidiary and is contractually receivable by the Company.
(b) Provision of Rs 18 crores towards impairment in value of Properties, Plant and Equipments in Shree Shubham Logistics Limited, a subsidiary Company.

7 As reported earlier, the Income Tax Department ('the department') carried out a search under section 132 of the Income Tax Act, 1961 at certain premises of the Company and at the residence of some of its directors and an executive. During the search proceedings, the Company provided required documents, data back-ups, information and explanations 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 unaudited financial results at this stage.

8 Subsequent to the quarter end, Directorate General of GST Intelligence, Ahmedabad has initiated search at certain premise of the Company in Gujarat on October 27, 2023 and same was completed in morning hours of October 28,2023. 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 unaudited financial results at this stage.

9 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.

For and on behalf of the Board of Directors
For KALPATARU PROJECTS INTERNATIONAL LTD.
(FORMERLY KALPATARU POWER TRANSMISSION LTD.)

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Place : Mumbai
Dated : November 02, 2023

Manish Mohnot
Managing Director & CEO
DIN:01229696

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Annexure I
Statement of cash flows

(Rs. in Crores)

Particulars	For the Half Year Ended September 30, 2023 (Unaudited)	For the Half Year Ended September 30, 2022 (Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	**203**	**186**
Adjustments for :		
Tax Expenses	94	85
Depreciation and Amortization Expenses	233	184
Finance Costs	252	216
Impairment loss on property plant and equipments and Intangible Assets	-	17
Interest Income	(26)	(16)
(Profit) / Loss on sale of Property, Plant and Equipment (net)	(2)	(3)
Liabilities written back	(1)	-
Allowance for Expected Credit Losses	(11)	15
Expected credit losses provision for loans and advances given to JV	1	1
Unrealised Foreign Exchange (Gain) / Loss (net)	6	(29)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**749**	**656**
Adjustments for:		
Trade and other receivables	(1,423)	(672)
Inventories	(119)	(108)
Trade, other payables and provisions	894	(123)
CASH GENERATED FROM / (USED IN) OPERATIONS	101	(247)
Income tax paid	(197)	(83)
NET CASH USED IN OPERATING ACTIVITIES	**(96)**	**(330)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure on property, plant and equipments &intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure)	(107)	(254)
Proceeds from disposal of Property, Plant and Equipments	1	22
Proceeds from sale Investments (net)	5	3
Loans (given to) / received back from others	(46)	4
Interest Received	26	16
Deposits with Banks (Net)	18	(16)
NET CASH USED IN INVESTING ACTIVITIES	**(103)**	**(225)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Purchase of Equity Instruments from Minority Shareholders	-	(94)
Proceeds from Current/Non Current Borrowings	12	184
Proceeds from Issue of Non Convertible Debentures	300	-
Redemption of Non Convertible Debentures	(100)	(178)
Repayment of Current/Non Current Borrowings	(276)	(177)
Net increase / (decrease) in short-term borrowings	225	667
Payment of lease liabilities	(29)	(30)
Finance Costs Paid	(251)	(241)
Dividends Paid	(114)	(97)
Dividend payment to Minority Shareholders	-	(5)
CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**(233)**	**29**
Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	1	1
D. NET DECREASE IN CASH AND CASH EQUIVALENTS	**(431)**	**(525)**
E. Cash and Cash Equivalents acquired in business combination	-	-
F. Opening Cash and Cash Equivalents	957	1,062
G. Closing Cash and Cash Equivalents*	**526**	**537**

***Includes cash and cash equivalents amounting to Rs. 1 crores (Previous year Rs. 1 crores) disclosed as held for sale**

Annexure II

Additional disclosure as per Regulation 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

		For the Quarter ended			For the Half Year Ended		For the Year ended
Particulars		**September 30, 2023 (Unaudited)**	**June 30, 2023 (Unaudited)**	**September 30, 2022 (Unaudited)**	**September 30, 2023 (Unaudited)**	**September 30, 2022 (Unaudited)**	**March 31, 2023 (Audited)**
Debenture Redemption Reserve	(Rs. in Crores)	4	4	4	4	4	4
Capital Redemption Reserve	(Rs. in Crores)	1	1	1	1	1	1
Net Worth	(Rs. in Crores)	4,834	4,812	4,226	4,834	4,226	4,720
Debt Equity Ratio	Times	0.80	0.81	1.00	0.80	1.00	0.78
Debt Service Coverage Ratio (DSCR)	Times	0.91	1.20	0.87	1.04	0.97	1.14
Interest Service Coverage Ratio (ISCR)	Times	2.49	3.00	2.66	2.72	2.70	2.79
Current Ratio	Times	1.23	1.24	1.33	1.23	1.33	1.25
Long Term Debt To Working Capital (LTDWC)	Times	0.47	0.51	0.55	0.47	0.55	0.47
Bad Debts To Account Receivable Ratio	Percent	-	-	-	-	-	-
Current Liability Ratio	Times	0.87	0.86	0.75	0.87	0.75	0.85
Total Debts To Total Assets	Times	0.19	0.19	0.24	0.19	0.24	0.19
Debtors Turnover (Annualised)	Days	102	114	110	108	114	114
Inventory Turnover (Annualised)	Days	62	70	67	65	66	61
Operating Margin	Percent	8.2%	9.0%	9.2%	8.6%	8.9%	8.4%
Net Profit Margin	Percent	2.0%	2.7%	2.6%	2.3%	2.5%	2.7%

Net Worth = Share capital + Reserves (excluding revaluation reserve)
Debt Equity Ratio = Total Debt / Equity (excluding revaluation reserve)
DSCR = (PAT+Interest+Depreciation+Loss/gain on sale of PPE) / (Interest + Lease payment + Principal Repayment of long term debt)
ISCR = (PAT+Interest+Depreciation+Loss/gain on sale of PPE) / Interest expenses
Current Ratio = Current Assets / Current Liabilities
LTDWC = Long term debt (Including current maturities of long term borrowing) / Net Working capital (excluding current maturities of long term borrowing)
Bad Debts To Account Receivable Ratio = Bad debt written off / Average trade receivables
Total Debts To Total Assets = Total Debts / Total Assets
Current Liability Ratio = Current Liability / Total Liability
Debtors Turnover = Average Accounts Receivable / Net Sales
Inventory Turnover = Average Inventory / Cost of goods sold
Operating Margin = Operating profit / Sales (Operating profit is profit before exceptional items and tax, depreciation, finance costs and other income)
Net Profit Margin = Profit after tax / Sales

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. 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: 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. 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.

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. 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. 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. 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. 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 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 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) Clause (xvii) Clause (xix)
2	Shree Shubham Logistics Limited	U60232GJ2007PLC049796	Subsidiary	Clause (xvii) 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

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

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	853.88
(f) Financial Assets			
(i) Investments	6	-	1.55
(ii) Trade Receivables	7(i)	131.05	188.79
(iii) Others	9(i)	194.73	156.34
(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	45.76	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		

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

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Bhavesh Dhupelia
Partner
Membership No : 042070
Mumbai : May 08, 2024

Shweta Girotra
Company Secretary

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

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Bhavesh Dhupelia
Partner
Membership No : 042070
Mumbai : May 08, 2024

Shweta Girotra
Company Secretary

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.

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 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

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

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;

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.

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

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%

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	8.11	(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	155.96	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	81.73	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**

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 relationship	88.84	-	-	(0.46)	88.38	28.31	17.37	-	0.97	46.65	41.73
Software (Other than internally generated)	57.70	3.58	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	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 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	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
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**

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.

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**

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	310.62	173.53
(including goods in transit ₹ 1.96 Crores) (Previous Year ₹ 0.21 Crores)		
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

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

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.

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

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**

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	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.

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	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

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**

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.

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.

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

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

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

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**

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

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

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%

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.

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

Independent Auditor's Report

To

The Members of Kalpataru Power Transmission Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of 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 operation, which comprise the consolidated balance sheet as at 31 March 2023, 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 a summary of significant 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 the 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 operation as at 31 March 2023, 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 operation 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.

Recognition of contract revenue and margin

See Note 23 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group enters into Engineering, Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods. Ind AS 115, Revenue from Contracts with Customers, requires an entity to select a single measurement method for the relevant	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: • Assessed compliance of the group policies in respect of revenue recognition with the applicable standards.

The key audit matter	How the matter was addressed in our audit
performance obligation which depicts the entity's performance in transferring goods or services. In case of onerous contract, present obligations are recognized and measured as provisions. The Group is recognizing contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard. It relies on management's estimates of the final outcome of each contract, and involves management judgement, particularly in forecasting the cost to complete a contract, valuing contract variations, claims and liquidated damages. We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete the contract is inherently subjective, complex and require significant management judgement. The same may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations etc., and could result in significant variance in the revenue and profit or loss from contract for the reporting period.	• Selected a sample of contracts to test, using a risk¬ based criteria which included individual contracts with: i. Significant revenue recognised during the year; ii. Significant unbilled work in progress (WIP) balances held at the year-end; or iii. Low profit margins. • Obtained an understanding of management's process for analyzing long term contracts, the risk associated with the contract and any key judgements. • 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, re-performance and inspection of evidence. • Verified underlying documents such as contract, and its amendments, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and / or any change in such estimation. • Evaluated retrospective results for contracts completed during the current year. Compared the final outcome of the contracts with previous estimates made for these contracts to assess the reliability of management forecasting process. • Considered the adequacy of the disclosures in note 23 to 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 operation 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 operation 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 operation 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 operation 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 operation 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 operation 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/financial information reflects total assets (before consolidation adjustments) of Rs. 72.80 crores as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 70.64 crores and net cash outflows (before consolidation adjustments) amounting to Rs. 0.99 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports 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 reports of the other auditor.

   We did not audit the financial statements of twenty subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 2,809.43 crores as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 1,504.30 crores and net cash outflows (before consolidation adjustments) amounting to Rs. 2.65 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 profit) of Rs. Nil for the year ended 31 March 2023, 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 Holding Company'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 Holding Company'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 Holding Company 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 other auditors.

b. The financial statements of three subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 550.84 crores as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 438.91 crores and net cash inflows (before consolidation adjustments) amounting to Rs. 6.46 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 auditors. These unaudited financial statements 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 our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are 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 matter 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.

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 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture company incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. 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 2023 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 or its subsidiary companies and joint venture company incorporated in India during the year ended 31 March 2023.

d (i) The respective 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 57(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 respective 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, as disclosed in the Note 57(b) 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 59 to the consolidated financial statements, the respective Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the respective 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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiary companies and joint venture company incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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 and joint venture company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and joint venture company 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 and joint venture company 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

Vikas R Kasat
Partner
Membership No.: 105317
ICAI UDIN:23105317BGVTNM4891

Place: Mumbai
Date: 08 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Kalpataru Power Transmission Limited for the year ended 31 March 2023

(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) Clause (xvii) Clause (xix)
2	Wainganga Expressway Private Limited	U45203MH2011PTC264642	Subsidiary	Clause (ix)(a)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Vikas R Kasat
Partner
Membership No.: 105317
ICAI UDIN:23105317BGVTNM4891

Place: Mumbai
Date: 08 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Kalpataru Power Transmission Limited for the year ended 31 March 2023

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)(f) 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 Power Transmission Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incroporated 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 2023, 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 branch auditors and other auditor(s) of the relevant branch/branches, subsidiary [company/companies], associate [company/companies], joint venture [company/companies] and joint operation [company/companies] in terms of their report(s) referred to in the Other Matter(s) 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 consolidated 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 consolidated 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 consolidated 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 ten 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

Vikas R Kasat
Partner
Membership No.: 105317
ICAI UDIN:23105317BGVTNM4891

Place: Mumbai
Date: 08 May 2023

Consolidated Balance Sheet

as at 31st March, 2023

(₹ in Crores)

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	5(i)	1,980.78	1,626.61
(b) Capital Work in Progress		52.28	19.91
(c) Right of Use Assets	44	106.16	133.70
(d) Investment Property	51	-	0.82
(e) Goodwill	47	183.61	184.21
(f) Other Intangible Assets	5(ii)	853.88	1,613.23
(g) Intangible Assets Under Development		-	4.72
(h) Financial Assets			
(i) Investments	6	1.55	1.49
(ii) Trade Receivables	7(i)	188.79	213.82
(iii) Others	9(i)	156.34	160.50
(i) Deferred Tax Assets (net)	10	178.43	198.02
(j) Non-Current Tax Assets (net)	15(i)	0.59	7.18
(k) Other Non-Current Assets	11(i)	127.19	133.54
		3,829.60	**4,297.75**
Current Assets			
(a) Inventories	12	1,228.47	1,096.03
(b) Financial Assets			
(i) Investments	6.2	3.08	3.20
(ii) Trade Receivables	7(ii)	5,251.25	4,578.77
(iii) Cash and Cash Equivalents	13	956.43	1,061.76
(iv) Bank Balances other than (iii) above	14	103.44	132.26
(v) Loans	8(i)	57.52	151.34
(vi) Others	9(ii)	422.87	271.75
(c) Current Tax Assets (net)	15(ii)	185.78	122.20
(d) Other Current Assets	11(ii)	6,519.77	4,979.58
(e) Assets classified as held for sale	6.3	1,022.64	516.87
		15,751.25	**12,913.76**
TOTAL ASSETS		**19,580.85**	**17,211.51**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	32.49	29.78
(b) Other Equity	16(i)	4,688.13	4,248.79
Equity Attributable to Owners of the Company		**4,720.62**	**4,278.57**
(c) Non-Controlling Interests	17	(26.76)	138.90
		4,693.86	**4,417.47**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18(i)	1,214.83	1,553.45
(ia) Lease Liabilities	44	54.80	74.31
(ii) Trade Payables	19(i)		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other that micro enterprises and small enterprises		161.40	325.72
(iii) Other Financial Liabilities	20(i)	393.17	444.60
(b) Provisions	21 (i)	76.05	92.65
(c) Deferred Tax Liabilities (net)	10	60.21	95.71
(d) Other Non-Current Liabilities	22(i)	326.51	673.77
		2,286.97	**3,260.21**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18(ii)	2,467.63	2,155.49
(ia) Lease Liabilities	44	48.87	54.53
(ii) Trade Payables	19(ii)		
(a) total outstanding dues of micro enterprises and small enterprises		153.40	159.09
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,750.44	4,094.24
(iii) Other Financial Liabilities	20(ii)	563.21	699.44
(b) Other Current Liabilities	22(ii)	3,613.30	1,908.85
(c) Provisions	21 (ii)	416.60	433.78
(d) Current Tax Liabilities (net)	15(iii)	121.90	28.41
(e) Liabilities directly associated with assets held for sale		464.67	-
		12,600.02	**9,533.83**
TOTAL EQUITY AND LIABILITIES		**19,580.85**	**17,211.51**
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1 to 60		

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317

Mumbai : 8th May, 2023

Ram Patodia
Chief Financial Officer

Shweta Girotra
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908

Mumbai : 8th May, 2023

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	Note	2022-23	2021-22
Revenue from Operations	23	16,361.44	14,777.38
Other Income	24	39.70	88.92
TOTAL INCOME		**16,401.14**	**14,866.30**
EXPENSES			
Cost of Materials Consumed	25	6,983.77	6,421.34
Changes in Inventories of Finished goods and Work in Progress	26	(13.46)	24.66
Erection, Sub-Contracting and Other Project Expenses	41	5,413.50	4,693.16
Employee Benefits Expenses	27	1,446.88	1,299.08
Finance Costs	28	466.75	396.33
Depreciation and Amortisation Expenses	5 & 44	391.75	350.78
Expected credit losses provision for loans and advances given to JV	32	2.81	95.26
Other Expenses	29	1,158.40	1,054.32
TOTAL EXPENSES		**15,850.40**	**14,334.93**
Profit Before share of profit / (loss) of Joint venture and Exceptional Item		**550.74**	**531.37**
Share of Profit/ (Loss) from Joint Venture		-	(19.89)
Profit Before Exceptional Item and tax		**550.74**	**511.48**
Exceptional items - Gain / (loss) (net)	55	90.78	184.93
Profit Before Tax		**641.52**	**696.41**
Tax Expenses			
Current Tax		265.64	191.59
Deferred Tax		(59.14)	(30.24)
PROFIT FOR THE YEAR		**435.02**	**535.06**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Gain / (Loss) on Defined Plan Liability		1.99	0.71
Income tax on Actuarial Gain / (Loss)		(0.50)	(0.18)
		1.49	**0.53**
Items that will be reclassified subsequently to Profit or Loss			
Exchange difference in translating foreign operations		(15.46)	36.13
Gain / (Loss) on hedging instruments		(58.08)	19.14
Income tax on above items		16.38	(11.88)
		(57.16)	43.39
Total Other Comprehensive Income		(55.67)	43.92
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**379.35**	**578.98**
Profit for the year attributable to			
Owners of the Company		440.75	540.30
Non-controlling interests		(5.73)	(5.24)
PROFIT FOR THE YEAR		**435.02**	**535.06**
Total Other Comprehensive Income attributable to			
Owners of the Company		(42.34)	34.22
Non-controlling interests		(13.33)	9.70
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(55.67)**	**43.92**
Total Comprehensive Income for the year attributable to			
Owners of the Company		398.41	574.52
Non-controlling interests		(19.06)	4.46
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**379.35**	**578.98**
Earnings per Share (EPS) of ₹ 2 each			
Basic and Diluted (₹)	37	29.06	36.28
Significant Accounting Policies and			
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

Vikas R Kasat
Partner
Membership No : 105317

Mumbai : 8th May, 2023

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

Sanjay Dalmia
Executive Director
DIN : 03469908

Mumbai : 8th May, 2023

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

A EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	Amount
Balance as at 1st April, 2021	29.78
Balance as at 31st March, 2022	**29.78**
Add: Shares Issue during the year	2.71
BALANCE AS AT MARCH 31st, 2023	**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 1st April, 2021	**74.55**	**692.61**	**-**	**476.85**	**0.26**	**1.16**	**0.97**	**2,473.55**	**20.32**	**(30.67)**	**(0.88)**	**3,708.72**	**120.44**	**3,829.16**
Profit for the year 2021-22	-	-	-	-	-	-	-	540.30	-	-	-	540.30	(5.24)	535.06
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	11.63	22.10	0.49	34.22	9.70	43.92
Dividends paid including tax thereon	-	-	-	-	-	-	-	(34.45)	-	-	-	(34.45)	(3.79)	(38.24)
Transfer to General Reserve / Reserve Fund from Retained Earnings	-	-	-	10.00	-	-	0.20	(10.20)	-	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(34.87)	-	-	34.87	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	8.43	8.43
Non-controlling interest changes during the year	-	-	-	-	-	-	-	-	-	-	-	-	9.36	9.36
Balance as at 31st March, 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	-	-	-	-	-	-	-	(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	-	-	-	-	-	-	-	-	-	-

(₹ 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			
Acquisition of non-controlling interest	-	-	137.70	-	-	-	-	-	-	-	-	137.70	(140.41)	(2.71)
Non-controlling interest changes during the year	-	-	-	-	-	-	-	-	-	-	-	-	(0.76)	(0.76)
Balance as at 31st March, 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**

(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) 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 Company 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 refer Significant Accounting Policies and 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

Vikas R Kasat
Partner
Membership No : 105317

Mumbai : 8th May, 2023

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

Sanjay Dalmia
Executive Director
DIN : 03469908

Mumbai : 8th May, 2023

Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in Crores)

Particulars	2022-23	2021-22
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	435.02	535.06
Adjustments for :		
Tax Expenses	206.50	161.35
Share of Loss of Joint Venture	-	19.89
Depreciation and Amortization Expenses	391.75	350.78
Finance Costs	466.75	396.33
Impairment loss on Property, Plant and Equipments	18.22	37.71
Gain on sale of subsidiary and joint venture (net)	-	(262.41)
Dividend Income	(0.08)	(0.10)
Interest Income	(34.05)	(35.28)
Gain on disposal of Property, Plant and Equipments (net)	6.65	(18.61)
Bad Debt written off	-	0.25
Liabilities Written Back	(0.57)	(21.67)
Allowance for Expected Credit Losses	(10.27)	39.26
Expected credit losses provision for loans given to JV and others	2.81	95.26
Impairment loss on asset held for sale	0.05	0.68
Unrealised Foreign Exchange (Gain) / Loss (net)	(9.76)	(29.27)
Net Gain arising on financial assets	(0.14)	(0.30)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1,472.88**	**1,268.93**
Adjustments for:		
Trade and other Receivables	(2,321.71)	(950.18)
Inventories	(132.44)	13.50
Trade, other payables and provisions	1,864.60	644.87
CASH GENERATED FROM OPERATIONS	**883.33**	**977.12**
Income Tax Paid	(226.94)	(263.46)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**656.39**	**713.66**
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)	(771.48)	(308.10)
Proceeds from disposal of Property, Plant and Equipment	52.13	46.68
Proceeds from sale of Subsidiary and Joint Venture (net)	273.72	156.71
Investments in / Proceeds from sale Mutual Funds (net)	0.20	(3.26)
Loans (given to) / received back from Joint Ventures (net)	(2.81)	(17.43)
Loans (given to) / received back from others	99.11	22.26
Interest received	34.05	35.28
Dividend Received	0.08	0.10
Payment for acquisition of Subsidiary	-	(62.24)
Deposits with Banks (net)	(11.13)	(125.02)
CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(326.13)**	**(255.02)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of shares to Minority Shareholders	-	8.00
Purchase of Equity Instruments from Minority Shareholders	(93.60)	-
Proceeds from Current / Non Current Borrowings	227.76	479.97
Proceeds from Issue of Non Convertible Debentures	274.00	200.00
Redemption of Non Convertible Debentures	(278.32)	(233.33)
Repayment of Current/Non Current Borrowings	(608.19)	(313.15)
Net increase / (decrease) in short-term borrowings	696.80	380.11
Payment of lease liability	(62.44)	(53.02)

Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March, 2023

(₹ in Crores)

Particulars		2022-23	2021-22
	Finance Costs Paid	(491.69)	(405.35)
	Dividend Paid	(96.77)	(22.34)
	Dividend Paid to Minority Shareholders	(5.43)	(15.90)
	CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**(437.88)**	**24.99**
D.	Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	3.37	-
E.	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)**	**(104.25)**	**483.63**
F.	**CASH AND CASH EQUIVALENTS ACQUIRED IN BUSINESS COMBINATION**	**-**	**40.60**
G.	**REDUCTION IN CASH AND CASH EQUIVALENTS ON LOSS OF CONTROL OF SUBSIDIARY**	**-**	**-**
H.	**OPENING CASH AND CASH EQUIVALENTS**	**1,061.76**	**537.53**
I.	**CLOSING CASH AND CASH EQUIVALENTS (E+F+G+H)**	**957.51**	**1,061.76**

NOTES:

(i) Cash and Cash Equivalents at the end of the year comprises:

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Cash on hand	3.79	2.41
(b) Cheques on hand	-	0.02
(c) Balances with Banks		
(i) In current accounts	944.17	995.68
(ii) In Fixed Deposit Accounts	9.55	63.65
CASH AND CASH EQUIVALENTS AS PER STATEMENT OF CASH FLOWS*	**957.51**	**1,061.76**

*Cash and Cash Equivalent includes ₹ 1.08 Crores (previous year ₹ Nil Crores) pertaining to assets held for sale.

(ii) Reconciliation of liabilities arising from financing activities:

(₹ in Crores)

Particulars	As at 01st April, 2022	Cash Flow	Non-Cash Changes	As at 31st March, 2023
Borrowings^	3,708.94	312.05	18.10	**4,039.09**

^Borrowing includes ₹ 356.63 Crores (previous year ₹ Nil 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 Significant Accounting Policies and 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

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Vikas R Kasat
Partner
Membership No : 105317

Shweta Girotra
Company Secretary

Sanjay Dalmia
Executive Director
DIN : 03469908

Mumbai : 8th May, 2023

Mumbai : 8th May, 2023

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

1. CORPORATE INFORMATION

Kalpataru Power Transmission Limited (referred to as the "Company") is a global EPC player with diversified interest in Buildings and Factories, power transmission & distribution, Roads and Bridges, Water pipe lines, railway track laying & electrification, oil & 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, 2023.

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 Joint 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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

(v) Interest in Joint Venture Entities are incorporated in these consolidated financial statements using the 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. SIGNIFICANT ACCOUNTING POLICIES

A. Revenue Recognition

(i) Revenue from construction contracts

Performance obligations with reference to construction 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. Revenue, measured at transaction price, is adjusted towards liquidated damages, time value of money and price variations/escalation, 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 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.

(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;
- 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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

(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.

With respect to the services provided to the lessees including Common Area Maintenance (CAM) services (Such as housekeeping, security services, etc) as part of the lease agreements entered by the Group, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Therefore, the Group concluded that the services to lessees represent a series of daily services that are individually satisfied over time, using a time elapsed measure of progress, because lessees simultaneously receive and consume the benefits provided by the Group.

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) Operation and maintenance Income

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e. input method on a straight line basis.

(vii) 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 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 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

(i) In case of long-term contracts executed by the Holding Company, Operating Cycle covers the duration of the specific project/contract including the defect liability period, wherever applicable and extend up to the realization of receivables (including retention monies) within the agreed credit period.

(ii) Assets and Liabilities other than those relating to long-term contracts executed by the Holding Company are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

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.

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

Transactions in foreign currencies are recognised at rate of exchange prevailing for the month on the dates of the transactions.

Foreign currency monetary assets and liabilities, remaining unsettled at reporting date are translated at the exchange rate prevailing at the end of the year.

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.

Foreign currency non-monetary assets and liabilities, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

The results and financial position of foreign operations and foreign subsidiaries that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of reporting
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference for the period are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in the statement of changes in equity.

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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

Current income taxes

The Company's current tax is calculated using tax 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 recognized 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.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

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.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

H. Inventories

Raw materials, fuel, semi-finished goods, finished goods, scrap, 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

Gratuity liability is provided under a defined benefit plan and 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, taking effect of actuarial gains and losses which is recognised 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

Provision for compensated absences is made on actuarial valuation as at the Balance Sheet date.

d) Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss for the year in which the related service is rendered.

J. Non-current assets held for sale

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.

Assets and Liabilities related to 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 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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

K. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

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.

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 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 a group 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.

Transactions with the Joint operation by the Group are recognized in the consolidated financial statements only to the extent of other parties' interests in the joint 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.

Classification:

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Initial recognition and measurement

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities. Trade receivable that do not contain a significant financing component are measured at transaction price.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) 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.

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial asset at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the consolidated 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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset.

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

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

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. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

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.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

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 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 fixed assets till assets are ready to put 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%
Buildings	:	20% - 33.33%

c) Depreciation on Plant & Machinery and Shuttering Materials of a subsidiary is provided taking useful life of 10 years and 3 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

Group applies, as per Ind AS 109, expected credit loss model for recognizing impairment loss on trade receivables, other contractual rights to receive cash or other financial asset.

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.

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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

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 there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized 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. 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. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1- Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2023.

Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors –This amendment has introduced a definition of accounting estimates and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2023.

Ind AS 12 – Income Taxes- This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2023.

The Company is evaluating the impact of the amendments on the financial statement.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

5. (A) PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS FINANCIAL YEAR 2022-23

(₹ in Crores)

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK
	As at 1st April, 2022	Additions	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 1st April, 2023	As at 1st April, 2022	For the Year	Deductions/ Adjustments	Acquired under business combination	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	155.96	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	81.73	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**
(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 relationship	88.84	-	-	-	(0.46)	88.38	28.31	17.37	-	-	0.97	46.65	41.73
Software (Other than internally generated)	57.70	3.58	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 forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

(A) PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

FINANCIAL YEAR 2021-22

(₹ in Crores)

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK
	As at 1st April, 2021	Additions	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31st March, 2022	As at 1st April, 2021	For the Year	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31st March, 2022	As at 31st March, 2022
(i) Property, Plant and Equipments													
Leasehold Land	35.82	-	-	-	-	35.82	-	-	-	-	-	-	35.82
Freehold Land	145.79	-	10.90	-	-	134.89	6.37	-	-	-	-	6.37	128.52
Buildings	711.41	58.58	80.30	14.25	2.13	706.07	151.73	80.91	58.64	0.30	(0.12)	174.18	531.89
Plant and Equipment	1,376.65	191.97	56.17	12.03	(6.25)	1,518.23	599.58	134.86	39.40	4.20	(3.74)	695.50	822.73
Electrical Installation	15.48	0.62	0.19	-	-	15.91	6.56	1.30	0.16	-	0.01	7.71	8.20
Furniture and Fixtures	34.42	0.79	5.65	0.49	0.06	30.11	19.67	2.85	4.29	0.39	0.05	18.67	11.44
Office Equipment	73.50	12.97	2.63	0.63	(0.16)	84.31	50.78	11.13	2.36	0.31	(0.19)	59.67	24.64
Vehicles	131.66	17.81	16.80	12.18	0.25	145.10	68.01	20.60	13.26	5.61	0.77	81.73	63.37
TOTAL (i)	**2,524.73**	**282.74**	**172.64**	**39.58**	**(3.97)**	**2,670.44**	**902.70**	**251.65**	**118.11**	**10.81**	**(3.22)**	**1,043.83**	**1,626.61**
(ii) Other Intangible Assets													
Toll Collection Rights	1,748.56	-	-	-	-	1,748.56	202.12	54.89	-	-	-	257.01	1,491.55
Copyright and Trade Mark	22.49	-	-	13.05	1.80	37.34	0.10	0.11	-	-	(0.01)	0.20	37.14
Customer relationship	55.24	-	-	29.69	3.91	88.84	10.62	16.77	-	-	0.92	28.31	60.53
Software (Other than internally generated)	40.55	17.79	0.84	0.18	0.02	57.70	29.06	7.17	0.80	0.17	0.02	35.62	22.08
Non-compete	-	-	-	1.99	0.41	2.40	-	0.41	-	-	0.06	0.47	1.93
TOTAL (ii)	**1,866.84**	**17.79**	**0.84**	**44.91**	**6.14**	**1,934.84**	**241.90**	**79.35**	**0.80**	**0.17**	**0.99**	**321.61**	**1,613.23**
TOTAL (i) + (ii)	**4,391.57**	**300.53**	**173.48**	**84.49**	**2.17**	**4,605.28**	**1,144.60**	**331.00**	**118.91**	**10.98**	**(2.23)**	**1,365.44**	**3,239.84**

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 ₹ 6.11 Crores

(c) Depreciation / Amortisation includes impairment on plant and machineries, building and Toll Collection Rights amounting to ₹ Nil crores (Previous year ₹18.32 crores), ₹ 6.63 crores (Previous year ₹ 3.96 crores) and ₹ Nil crores (Previous year ₹15.43 crores) respectively.

(b) Capital Work in Progress

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the year	19.91	29.03
Additions	134.68	68.93
Capitalised during the year	102.31	78.05
BALANCE AT THE END OF THE YEAR	**52.28**	**19.91**

(c) Leasehold land of which significant risk and reward is transferred to Company is treated as freehold land.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

6. INVESTMENTS - NON CURRENT

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
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	64,488	1.46	1.40
					1.46	**1.40**
(ii) Unquoted,						
In Equity instruments, Fully paid						
Alipurduar Transmission Limited [refer Note 6.1 (i) and (ii)]	INR	10	1,44,64,066	2,83,71,824	-	-
Kohima-Mariani Transmission Limited [refer Note 6.1 (i) and (iii)]	INR	10	1,90,63,044	3,73,92,893	-	-
Agri Warehousing Service Providers (INDIA) Association	INR	10	90,000	90,000	0.09	0.09
Total investment carried at fair value through profit or loss					**1.55**	**1.49**
TOTAL					**1.55**	**1.49**
Aggregate carrying amount of Quoted Investments					1.46	1.40
Market Value of Quoted Investments					1.46	1.40
Aggregate amount of Unquoted Investments					0.09	0.09

Note:

6.1 (i) 1,44,64,066 (Previous Year - 2,83,71,824) Equity shares of Alipurduar Transmission Limited (ATL) and 1,75,96,055 (Previous Year - 3,73,92,893) shares of Kohima-Mariani Transmission Limited are pledged.

(ii) Alipurduar Transmission Limited ("ATL") ceased to be subsidiary of the company w.e.f 25th November, 2020 in accordance with IndAS 110 "Consolidated Financial Statements". However, based on company's equity stake it continued to be subsidiary in terms of section 2 (87) of the Companies Act, 2013. Subsequently, during the current year, the Company has completed transfer of 25% of total equity shares w.e.f 13th October, 2022 and hence ATL ceased to be a subsidiary of the Company in terms of section 2 (87) of the Companies Act, 2013 from the said date.

(iii) Kohima-Mariani Transmission Limited ("KMTL") 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". However, based on company's equity stake it continued to be subsidiary in terms of section 2 (87) of the Companies Act, 2013. Subsequently, during the current year, the Company has completed transfer of 25% of total equity shares w.e.f 24th February, 2023 and hence KMTL ceased to be a subsidiary of the Company in terms of section 2 (87) of the Companies Act, 2013 from the said date.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

6.2 Investments -Current

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Investment- carried at fair value through profit or loss (FVTPL)						
Mutual Fund						
HDFC Liquid Fund - Growth	INR	4,384	3,507	7,713	1.54	3.20
ABSL Liquid Fund - Growth	INR	360	42,754	-	1.54	-
					3.08	**3.20**

6.3 Assets classified as held for sale

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
In Equity Instruments [refer Note 6.3 (i) and (ii)]	233.95	489.57
Property, Plant and Equipment [refer Note 6.3 (iii)]	27.41	27.30
Developmental Assets [refer Note 6.3 (iv)]	761.28	-
TOTAL	**1022.64**	**516.87**

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 26th November, 2020 . Subsequently, during the current year, the Company has completed transfer of additional 25% of total equity shares on 13th October, 2022 and balance 26% stake will be transferred after obtaining requisite approval. Investment in Equity Instruments amounting to ₹ 90.84 Crores (Previous year ₹ 187.11 Crores) represents fair value of retained equity stake in ATL.

(ii) During the FY 2021-22, the Company has completed the transfer of 23% stake along with the transfer of control of Kohima Mariani Transmission Limited (KMTL) to the Buyer with effect from 20th December, 2021 . Subsequently, during the current year, the Company has completed transfer of additional 25% of total equity shares on 24th February, 2023 and balance 26% stake will be transferred after obtaining requisite approval. Investment in Equity Instruments amounting to ₹ 143.11 Crores (Previous year ₹ 302.46 Crores) represents fair value of retained equity stake in KMTL.

(iii) One of the Subsidiary Company has classified a parcel of freehold and certain property, plant and equipments, under "held for sale", as it intends to dispose the same. The Subsidiary has recognised impairment loss for of ₹ 18.21 Crores (Previous year ₹ 22.95 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 ₹ 761.28 Crores and ₹ 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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

7. TRADE RECEIVABLES* (UNSECURED, CONSIDERED GOOD)

(₹ in Crores)

Particulars	As at 31st March , 2023	As at 31st March, 2022
(i) Non-Current	225.27	219.32
Less : Allowance for expected credit loss	(36.48)	(5.50)
TOTAL	**188.79**	**213.82**
(ii) Current	5,366.03	4,747.84
Less : Allowance for expected credit loss	(114.78)	(169.07)
TOTAL	**5,251.25**	**4,578.77**

*Refer Note 32 for Trade receivables ageing

8. LOANS (UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Current		
Joint Venture Companies [JV] (refer note 40)	301.68	298.87
Others^	65.27	159.09
Less : Expected credit losses for loans to JV and others	(309.43)	(306.62)
TOTAL	**57.52**	**151.34**

^ Secured Rs. 8.54 Crores (Previous year Rs. 7.85 Crores)

9. OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Non-Current		
Fixed Deposit with Banks #	45.58	65.39
Security Deposits	108.71	94.07
Interest accrued on Fixed Deposit	1.83	1.04
Others	0.22	-
TOTAL	**156.34**	**160.50**
(ii) Current		
Fixed Deposit with Banks **	118.22	58.46
Accrued Income	26.91	27.01
Security Deposits	90.59	87.55
Subsidy Deposit ^^	2.75	5.76
Others ##	184.40	92.97
TOTAL	**422.87**	**271.75**

Includes ₹ 42.69 Crores (Previous year ₹ 65.24 Crores) held as margin money and towards other commitments.

** Includes ₹ 90.56 Crores (Previous year ₹ 51.45 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 and subsidiary have discussed the further steps with appointed counsel. In case of Rajasthan, an application has been filed for hearing in Hon'ble Rajasthan High Court, Jaipur for ₹ 1.75 Crores.

Others mainly include Mark to market on derivative contracts and other receivables from customers.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

10. DEFERRED TAX ASSETS/LIABILITIES (NET)

(₹ 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**

*Includes deferred tax Assets of ₹ 56.91 Crores pertaining to assets held for sales

(₹ in Crores)

Particulars	As at 1st April, 2021	Recognised in profit or loss	Recognised in other comprehensive income	Acquired under business combination	Others	As at 31st March, 2022
Deferred tax (liabilities)/ assets in relation to:						
a. Property, Plant and Equipment and on intangible assets	(71.54)	(11.90)	-	(20.79)	0.52	(103.71)
b. Expense deductible / income taxable in different tax accounting period and change in fair value	49.89	(73.99)	(4.51)	0.60	(1.11)	(29.12)
c. Allowance for expected credit losses	55.29	107.40	-	-	-	162.69
d. Carry Forward Tax Losses	52.87	14.85	-	-	-	67.72
e. Change in method of determining revenue	(20.50)	-	-	-	-	(20.50)
f. Other Tax effect	22.36	(6.12)	(0.19)	-	0.12	16.17
SUB-TOTAL	**88.37**	**30.24**	**(4.70)**	**(20.19)**	**(0.47)**	**93.25**
MAT Credit Entitlement	9.06	-	-	-	-	9.06
TOTAL	**97.43**	**30.24**	**(4.70)**	**(20.19)**	**(0.47)**	**102.31**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

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, 2023	As at 31st March, 2022
Deferred tax assets	178.43	198.02
Deferred tax liabilities	(60.21)	(95.71)
NET DEFERRED TAX ASSET	**118.22**	**102.31**
Assets / (Liabilities) directly associated with assets held for sale	56.91	-
NET DEFERRED TAX ASSET INCLUDING PERTAINING TO ASSETS HELD FOR SALE	**175.13**	**102.31**

11. OTHER ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Non-Current		
Capital Advances	66.65	72.36
Prepaid Expenses	30.94	33.82
VAT Credit and WCT Receivable	28.39	26.13
Taxes Paid Under Protest	1.21	1.23
TOTAL	**127.19**	**133.54**
(ii) Current		
Taxes and duties Recoverable	87.24	87.54
VAT Credit and WCT Receivable	107.86	120.64
GST Receivable	450.52	498.85
Export Benefits Receivable	-	10.94
Taxes Paid Under Protest	7.40	7.27
Advance to Suppliers	347.47	370.65
Prepaid Expenses	84.88	67.38
Amount Due from Customers under Construction and other Contracts (Contract assets)	5,433.71	3,816.25
Others	0.69	0.06
TOTAL	**6,519.77**	**4,979.58**

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, 2023	As at 31st March, 2022
Recognised as amount due:		
from Customers under Construction Contract	5,450.76	3,842.95
to Customers under Construction Contract (refer note 22)	(600.62)	(370.28)
Less : Allowance for expected credit losses	(17.05)	(26.70)
	4,833.09	**3,445.97**

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 achivement 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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

11. OTHER ASSETS (Contd..)

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, 2023 ₹ 2,365.98 Crores (Previous year ₹ 1,886.10 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 ₹ 303.53 Crores (Previous year ₹ 417.89 Crores), that was classified as amount due to customer at the beginning of the year.

11.5 In case of EPC contracts, amount in the range of 10-20% of the contract value is paid as an advance and 10-20% amount released at the end of project and balance amount is paid progressively based on the agreed milestones in the contract.

12. INVENTORIES

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials and Components	173.53	203.20
(including goods in transit ₹ 0.21 Crores) (Previous Year ₹ 2.99 Crores)		
Work-in-progress Tower Parts	24.99	33.13
Finished goods Tower Parts	131.75	110.73
Store, Spares, Construction Materials and Tools	776.23	591.00
Scrap	6.60	6.02
Finished Goods of Real Estate Assets	88.79	78.79
Semi-finished Goods of Real Estate Assets	26.58	73.16
TOTAL	**1,228.47**	**1,096.03**

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, 2023	As at 31st March, 2022
Balances With Banks		
In Current Accounts	943.11	995.68
In Fixed Deposit	9.55	63.65
(with original maturity of less than 3 months)		
Cheques on hand	-	0.02
Cash on hand	3.77	2.41
TOTAL	**956.43**	**1,061.76**

14. OTHER BALANCES WITH BANKS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend Accounts	0.69	0.59
Deposits with original maturity more than 3 months but less than 12 months **	102.75	131.67
TOTAL	**103.44**	**132.26**

** Includes ₹ 99.02 Crores (Previous year ₹ 126.75 Crores) held as margin money and towards other commitments.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

15. CURRENT TAX

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Non-Current Tax Assets (net)		
Advance Income Tax and TDS (net of provisions)	0.59	7.18
TOTAL	**0.59**	**7.18**
(ii) Current Tax Assets (net)		
Advance Income Tax and TDS (net of provisions)	185.78	122.20
TOTAL	**185.78**	**122.20**
(iii) Current Tax Liabilities (net)		
Provisions for Tax (net of Advance Income Tax and TDS)	121.90	28.41
TOTAL	**121.90**	**28.41**

16. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
AUTHORISED :		
42,50,00,000 (Previous year 17,50,00,000) Equity Shares of ₹ 2 each	85.00	35.00
TOTAL	**85.00**	**35.00**
ISSUED, SUBSCRIBED AND PAID-UP:		
16,24,46,152 (Previous year 14,89,09,208) Equity Shares of ₹ 2 each fully paid up	32.49	29.78
TOTAL	**32.49**	**29.78**

16.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the year

Equity Shares	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Shares outstanding at the beginning of the year	14,89,09,208	29.78	14,89,09,208	29.78
Add: Shares Issue during the year (Refer Note 54)*	1,35,36,944	2.71	-	-
Shares outstanding at the end of the year	16,24,46,152	32.49	14,89,09,208	29.78

*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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

16. EQUITY SHARE CAPITAL (Contd..)

16.4 Shareholding of promoters

Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Change during the year
	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	10.98	(0.91)
Mr. Parag Mofatraj Munot	79,63,615	4.90	79,63,615	5.35	(0.45)

16.5 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	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	10.98
Mr. Parag Mofatraj Munot	79,63,615	4.90	79,63,615	5.35
Kalpataru Construction Private Limited	2,33,50,000	14.37	2,33,50,000	15.68
K. C. Holdings Private Limited	2,11,42,600	13.02	2,11,42,600	14.20
HDFC Trustee Company Limited	1,59,65,131	9.83	1,42,73,822	9.59
ICICI Prudential Value Discovery Fund	1,29,26,520	7.96	1,36,83,153	9.19
SBI Small Cap Fund	1,32,05,365	8.13	1,07,96,419	7.25
Kotak Mahindra Trustee Co Ltd A/C Kotak Multicap Fund	94,71,561	5.83	53,37,459	3.58

16(i) OTHER EQUITY (EXCLUDING NON CONTROLLING INTEREST)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Securities Premium Reserve	692.61	692.61
Capital Reserve	137.70	-
Debentures Redemption Reserve	4.03	39.68
Capital Redemption Reserve	1.16	1.16
General Reserve	567.37	521.72
Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934	1.38	1.17
Statutory Reserve	0.26	0.26
Retained Earnings	3,302.97	2,969.20
Other Comprehensive Income/ (Loss)		
Effective portion of Cash Flow Hedges	(2.40)	31.95
Exchange differences of foreign operations	(18.03)	(8.57)
Remeasurement of defined benefit obligations	1.08	(0.39)
TOTAL	**4,688.13**	**4,248.79**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

17. NON CONTROLLING INTEREST

(₹ in Crores)

Particulars	Name of Subsidiaries			TOTAL
	JMC Projects (India) Limited	Fasttel Engenharia S.A. (Indirect Subsidiary)	Kalpataru IBN Omairah Company Limited	
Balance as at 1st April, 2021	120.48	-	(0.04)	120.44
Share of total comprehensive Income/ (loss) for the year	15.50	(2.64)	(8.40)	4.46
Acquired under business combination	-	8.43	-	8.43
Shares Issue during the year	-	8.00	-	8.00
Exchange difference	-	1.36	-	1.36
Distribution of dividend	(3.79)	-	-	(3.79)
Balance as at 31st March, 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 31st March, 2023	**0.00**	**4.10**	**(30.86)**	**(26.76)**
Proportion of Interest				
As at 31st March, 2023	0.00%	49.00%	35.00%	
As at 31st March, 2022	32.25%	49.00%	35.00%	

17.1 Summarised financial information of major subsidiaries-

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations included in the Group's consolidated financial statement.

(a) JMC Projects (India) Limited

(₹ in Crores)

Particulars	As at 31st March, 2023*	As at 31st March, 2022
Total Assets	-	6,159.13
Total Liabilities	-	5,632.36
TOTAL EQUITY	**-**	**526.77**

(₹ in Crores)

Particulars	2022-23*	2021-22
Revenue	-	5,518.82
Total comprehensive Income/ (loss) for the year	-	48.58
Net cash inflow /(outflow)	-	(50.13)

*During the current year, the Company has acquired non-controlling interest of JMC Projects (India) Limited ("JMC") and completed Amalgamation of the business of JMC with the Company w.e.f 4th January, 2023. Accordingly, JMC ceased to exist from the said date.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

18 (i) NON CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Non-Current	Current	Non-Current	Current
Secured (at amortised cost)				
Non-Convertible Redeemable Debentures	-	75.00	75.00	45.00
Term Loans				
From Banks	708.58	280.42	764.18	280.81
From NBFC	151.04	49.97	201.94	47.64
Other Loans	233.95	-	215.85	273.72
Unsecured (at amortised cost)				
Non-Convertible Redeemable Debentures	423.00	150.00	299.00	233.34
Less : Unamortised Transaction Cost of Borrowings	(3.63)	(1.07)	(2.52)	(0.25)
Term Loans				
Others	-	-	-	0.21
Amount disclosed under the head "Current Borrowing" (Refer note 18 (ii))	-	(495.81)	-	(880.47)
Amount disclosed under the head "Liabilities held for sales"	(298.11)	(58.51)	-	-
TOTAL	**1,214.83**	**-**	**1,553.45**	**-**

18.1 Details of Debentures:

(₹ in Crores)

Redemption Profile	As at 31st March, 2023	As at 31st March, 2022	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	75.00	9.95%	28th August, 2018
Series II NCDs redeemable on 27.08.2022	-	45.00	9.95%	28th August, 2018
b. Unsecured Non-Convertible Redeemable Debentures (NCD) :				
Redeemable at face value in 1 equal annual instalment starting from 09.12.2025	99.00	-	Repo rate + Margin	9th December, 2022
NCDs redeemable on 04.11.2025	50.00	-	Repo rate + Margin	4th November, 2022
NCDs redeemable on 17.10.2025	37.50	-	Repo rate + Margin	17th October, 2022
NCDs redeemable on 13.12.2024	24.00	24.00	9.80%	15th December, 2021
NCDs redeemable on 04.11.2024	50.00	-	Repo rate + Margin	4th November, 2022
NCDs redeemable on 17.10.2024	37.50	-	Repo rate + Margin	17th October, 2022
NCDs redeemable on 14.06.2024	25.00	25.00	9.80%	15th December, 2021
Redeemable at face value in 2 equal annual instalments starting from 12.01.2024	200.00	200.00	6.15%	12th January, 2022
NCDs redeemable on 15.12.2023	25.00	25.00	9.80%	15th December, 2021
NCDs redeemable on 15.06.2023	25.00	25.00	9.80%	15th December, 2021
NCDs redeemable on 21.10.2022	-	100.00	10.55%	23rd October, 2019

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

18 (i) NON CURRENT BORROWINGS (Contd..)

(₹ in Crores)

Redemption Profile	As at 31st March, 2023	As at 31st March, 2022	Interest	Date of Allotment
Redeemable at premium on 12.09.2022 (Yield 9%)	-	50.00	Zero	12th December, 2018
Redeemable at face value in 2 equal annual instalments starting from 27.09.2021	-	50.00	8.11%	27th December, 2017
Redeemable at face value in 3 equal annual instalments starting from 25.05.2020	-	33.34	8.45%	25th May, 2017

18.2 Term Loans from Banks, NBFC and Other Loans :

(a) ₹ 356.63 Crores (Previous Year ₹ 405.91 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 31st January, 2028.

(b) ₹ 60.82 Crores (Previous Year ₹ 84.29 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 30th June, 2024.

(c) Term loan amounting to ₹ 200.77 Crores (Previous Year ₹ 256.00 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 31st December, 2026.

(d) ₹ 0.40 Crores (Previous Year ₹ 0.80 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) ₹ 75.00 Crores (Previous Year ₹ 132.50 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 1st June, 2024.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

18 (i) NON CURRENT BORROWINGS (Contd..)

18.2 Term Loans from Banks, NBFC and Other Loans (Contd..):

(f) Term loan from a bank amounting to ₹ 100.00 Crores (Previous Year ₹ NIL) is secured exclusive charge on movable fixed assets funded out of the said facility. Term loan is repayable in 17 unequal quarterly instalments with 29th July, 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 ₹ NIL (Previous Year ₹ 39.88 Crores) is secured by first pari passu charge on entire movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 unequal quarterly instalments to be paid at the end of each financial quarter, with 31st March, 2023 as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 year MCLR.*

(h) Term loan from a bank amounting to ₹ 100.00 Crores (Previous Year ₹ NIL) 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 7th September, 2027 as maturity date with varying interest rate linked to 1 Month T-bill from time to time.*

(i) Term loan from a bank amounting to ₹ 1.18 Crores (Previous Year ₹ 3.61 Crores) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending in 30th June, 2025 with fixed interest rate.

(j) Term loan from a bank amounting to ₹ NIL (Previous Year ₹ 14.06 Crores) is secured exclusively by first charge on movable Property, plant and equipment funded out of the said facility. Term loan is repayable in unequal quarterly instalments with 30th November, 2022 as maturity date with varying interest rate linked to base rate of bank from time to time.

(k) Term loan from a bank amounting to ₹ 17.50 Crores (Previous Year ₹ 21.25 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. Term loan is repayable in unequal quarterly instalments with 31st March, 2025 as maturity date with varying interest rate linked to 1 Yr MCLR of bank from time to time.*

(l) Term loan from a bank amounting to ₹ 0.38 Crores (Previous Year ₹ 1.12 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 31st October, 2023 as maturity date with fixed interest rate.

(m) Term loan from a bank amounting to ₹ 5.00 Crores (Previous Year ₹ 9.95 Crores) is secured exclusively by first charge on movable fixed assets funded out of the said facility. Term loan is repayable in equal quarterly instalments with 31st March, 2024 as maturity date with varying interest rate linked to 1 Year MCLR rate of bank from time to time.

(n) Term loan from a bank amounting to ₹ NIL (Previous Year ₹ 1.87 Crores) is secured exclusively by first charge on entire current assets and second charge on movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in equal monthly instalments with 31st July, 2022 as maturity date with varying interest rate linked to base rate of bank from time to time.*

(o) Term loan from a bank amounting to ₹ NIL (Previous Year ₹ 1.07 Crores) is secured exclusively by first charge on entire current assets and second charge on movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in unequal monthly instalments with 31st August, 2022 as maturity date with varying interest rate linked to base rate of bank from time to time.*

(p) Term loan from a bank amounting to ₹ NIL (Previous Year ₹ 2.28 Crores) is secured exclusively by first charge on entire current assets and second charge on movable Property, plant and equipment excluding assets charged exclusively to the Term Lenders. Term loan is repayable in unequal monthly instalments with 30th June, 2022 as maturity date with varying interest rate linked to base rate of bank from time to time.*

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

18 (i) NON CURRENT BORROWINGS (Contd..)

18.2 Term Loans from Banks, NBFC and Other Loans (Contd..):

(q) Term loan from a bank amounting to ₹ 2.84 Crores (Previous Year ₹ 3.65 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 28th February, 2026 as maturity date with fixed interest rate.

(r) Term loan from a bank amounting to ₹ 11.92 Crores (Previous Year ₹ 10.06 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.

(s) Term loan from a bank amounting to ₹ 47.50 Crores (Previous Year ₹ 49.98 Crores) is secured exclusivecharge on specific movable fixed assets funded out of the said facility and DSRA of 10% of facility amount. Term loan is repayable in unequal quarterly instalments with 25th January, 2027 as maturity date with varying interest rate linked to 1 Year Banks MCLR of bank from time to time.

(t) Term loan from a bank amounting to ₹ 36.75 Crores (Previous Year ₹ 39.50 Crores) is secured exclusive charge on specific movable fixed assets funded out of the said facility and DSRA 10% of facility amount . Term loan is repayable in unequal quarterly instalments with 30th June, 2026 as maturity date with varying interest rate linked to 1 Year MCLR of bank from time to time.

(u) Term loan from a bank amounting to ₹ 9.18 Crores (Previous Year ₹ 9.88 Crores) is secured exclusive charge on specific movable fixed assets funded out of the said facility and DSRA of 10% of facility amount. Term loan is repayable in unequal quarterly instalments with 30th June, 2026 as maturity date with varying interest rate linked to 1 Year MCLR of bank from time to time.

(v) Term loan from NBFC amounting to ₹ 1.52 Crores (Previous Year ₹ 4.50 Crores) is secured by exclusive charge by way of hypothecation for equipment financed by them. Term loans is repayable in 20 equal quarterly instalments with interest payable quarterly at fixed interest rate.*

(w) Term loan from NBFC amounting to ₹ 6.25 Crores (Previous Year ₹ 12.47 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 . Term loan is repayable in 16 equal quarterly instalments, 31st March, 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to long term reference rate of NBFC from time to time.*

(x) Term loan from NBFC amounting to ₹ 6.25 Crores (Previous Year ₹ 12.44 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 . Term loan is repayable in 16 equal quarterly instalments, 31st March, 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to long term reference rate of NBFC from time to time.*

(y) Term loan from NBFC amounting to ₹ Nil Crores (Previous Year ₹ 0.21 Crores) is unsecured. Term loans is repayable in 20 unequal quarterly instalments with interest payable monthly at varying interest rate linked to base rate of NBFC from time to time.*

(z) ₹ 150.12 Crores (Previous Year ₹ 177.50 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.

(aa) ₹ 233.95 Crores (Previous Year ₹ 489.57 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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

18(ii) CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured (at amortised cost)		
Working Capital Facilities from Banks	1,847.12	1,257.78
Current maturities of long term debt	345.81	647.07
Unsecured (at amortised cost)		
Short Term Loans from Banks	117.70	0.25
Working Capital Facilities from Banks	-	16.99
Others	7.00	-
Current maturities of long term debt	150.00	233.40
TOTAL	**2,467.63**	**2,155.49**

(a) Working Capital Facilities of the holding company of ₹ 1,217.98 Crores (Previous year ₹ 722.97 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 2% to 10%.

(b) Working Capital Facilities from Banks amounting to ₹ 417.74 Crores (Previous year ₹ 421.94) are secured by First charge against hypothecation of stocks, work in progress, cash and cash equivalents, stores and spares, trade receivables, book debts, other current assets and second charge on all movable property, plant and equipments of the Erstwhile JMC Projects (India) Limited.*

*During the year, JMC Project (India) Limited, an Erstwhile subsidiary of the Company, is merged with the Company as per the terms of the scheme approved by National Company Law Tribunal (NCLT).

(c) Working capital facilities of one of the Subsidiary of ₹ 31.42 Crores (Previous year ₹ 15.92 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.

(d) Working Capital and Equipment Financing Facilities of one of the Subsidiary of ₹ 179.98 Crores (Previous Year ₹ 96.95 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, 2023	As at 31st March, 2022
(i) Non Current		
Others	161.40	325.72
TOTAL	**161.40**	**325.72**
(ii) Current		
total outstanding dues of micro enterprises and small enterprises	153.40	159.09
Others	4,750.44	4,094.24
TOTAL	**4,903.84**	**4,253.33**

* Refer Note 56(i) for Trade payables ageing

All Trade payables are non interest bearing and current Trade payable are to be settled within normal operating cycle of the Company.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

20. OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Non Current		
Security Deposits	6.06	4.99
Additional concession fees	387.11	410.57
Liability for option to purchase Non controlling interest	-	29.04
TOTAL	**393.17**	**444.60**
(ii) Current		
Interest accrued but not due on borrowings	16.30	39.63
Interest Accrued and due on borrowings	6.12	7.73
Unpaid Dividend	0.68	0.59
Unclaimed matured deposits and interest accrued thereon	0.02	0.02
Liability for option to purchase Non controlling interest	-	105.32
Security Deposits	235.67	232.96
Creditors for capital expenditure	29.76	94.54
Additional concession fees	51.74	62.26
Others*	222.92	156.39
TOTAL	**563.21**	**699.44**

*Others mainly includes employee liabilities

21. PROVISIONS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Non-Current		
Employee benefits (Refer Note 38)	35.97	39.84
Performance Warranties (Refer Note 36)	40.08	27.63
Major maintenance expense (Refer Note 36)	-	25.18
TOTAL	**76.05**	**92.65**
(ii) Current		
Employee benefits (Refer Note 38)	16.06	11.66
Performance Warranties (Refer Note 36)	256.93	252.86
Expected Loss on Long Term Contracts (Refer Note 36)	103.82	128.68
Major maintenance expense (Refer Note 36)	14.17	14.17
Others	25.62	26.41
TOTAL	**416.60**	**433.78**

22. OTHER LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Non Current		
Advance from Customers	272.12	616.84
Deposit from Customers	0.25	0.31
Deferred Income	12.84	15.18
Others	41.30	41.44
TOTAL	**326.51**	**673.77**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

22. OTHER LIABILITIES (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(ii) Current		
Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1 & 11.2)	600.62	370.28
Advance from Customers	2,767.10	1,291.56
Statutory Liabilities	243.34	244.13
Deferred Income	0.38	0.51
Others	1.86	2.37
TOTAL	**3,613.30**	**1,908.85**

23. REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	2022-23	2021-22
Revenue from Contracts with Customers		
Sale of Products		
Tower Parts & Components	673.50	583.16
Agro Commodities	6.45	2.51
Others*	173.18	131.58
Income from EPC Contracts	15,060.31	13,616.17
Income from Services	300.42	285.45
Other Operating Income		
Sale of Scrap	113.74	141.98
Certified Emission Reduction Receipts	-	1.66
Export Benefits	31.09	13.87
Others	2.75	1.00
TOTAL	**16,361.44**	**14,777.38**

*Other mainly includes revenue from sale of electricity and real estate units

24. OTHER INCOME

(₹ in Crores)

Particulars	2022-23	2021-22
Interest Income		
On financial assets carried at amortised cost		
On Fixed Deposits	10.57	8.79
On Loans	12.15	20.68
Others	5.85	5.81
On Non-Financial Assets	5.48	-
Dividend Income		
Dividend from investment measured at FVTPL	0.08	0.10
Other non operating income		
Rent Income	6.07	4.71
Grant Received	-	0.18
Insurance Claims	1.32	5.26
Liabilities Written Back	0.57	21.67
Miscellaneous Income	1.54	1.90

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

24. OTHER INCOME (Contd..)

(₹ in Crores)

Particulars	2022-23	2021-22
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	0.14	0.30
Gain / (Loss) on disposal of property, plant and equipments (net)	(6.65)	18.61
Other	2.58	0.91
TOTAL	**39.70**	**88.92**

25. COST OF MATERIAL CONSUMED

(₹ in Crores)

Particulars	2022-23	2021-22
Raw Materials		
Steel	788.27	775.84
Zinc	157.11	135.18
Components & Accessories, etc.	2,099.65	2,435.32
Agricultural Residues	41.67	42.32
Construction Materials	3,897.07	3,031.92
Others	-	0.76
TOTAL	**6,983.77**	**6,421.34**

26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Crores)

Particulars	2022-23	2021-22
STOCK AT BEGINNING OF THE YEAR		
Finished Goods	110.73	131.01
Semi-Finished Goods	33.13	39.56
Scrap	6.02	3.97
	149.88	**174.54**
STOCK AT CLOSE 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**
TOTAL	**(13.46)**	**24.66**

27. EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	2022-23	2021-22
Salaries, Wages, Bonus	1,194.08	1,087.66
Contributions to Provident and Other Funds	159.98	130.14
Employees' Welfare Expenses	92.82	81.28
TOTAL	**1,446.88**	**1,299.08**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

28. FINANCE COSTS

(₹ in Crores)

Particulars	2022-23	2021-22
Interest Expenses	440.45	384.44
Other Borrowing Costs	18.22	9.33
Exchange Rate variation	8.08	2.56
TOTAL	**466.75**	**396.33**

29. OTHER EXPENSES

(₹ in Crores)

Particulars	2022-23	2021-22
Job Charges	40.81	52.01
Power and Fuel	25.92	27.07
Repairs and Maintenance:		
Plant and Machinery	4.48	5.07
Buildings	9.68	11.88
Others	5.12	4.36
Freight and Forwarding Expenses	247.51	240.71
Stores, Spares and Tools Consumed	17.24	19.73
Vehicle/ Equipment Running and Hire Charges	17.61	12.89
Testing Expenses	1.58	1.05
Pollution Control Expenses	2.12	2.16
Insurance	59.21	67.03
Rent	62.69	65.75
Rates, Taxes and Duties	84.02	74.89
Stationery, Printing and Drawing Expenses	9.84	9.58
Telecommunication Expenses	9.25	8.33
Travelling Expenses	122.18	73.77
Legal and Professional Expenses	170.80	113.24
Bank Commission and Charges (including ECGC Premium)	154.42	125.66
Allowance for Expected Credit Losses	(10.27)	39.26
Impairment loss on asset held for sale	0.05	0.68
Loss / (Gain) on Exchange Rate Variation	5.02	(62.83)
Sitting Fees and Commission to Non-Executive Directors	9.00	6.73
Corporate Social Responsibility Expenses	9.46	9.85
Carbon Credit Expenses	0.01	0.28
Fair Value changes of Financial Instrument	(34.43)	44.49
Miscellaneous Expenses	135.08	100.68
TOTAL	**1,158.40**	**1,054.32**

30. (a) Particulars of Subsidiaries included in Consolidation

Name of Subsidiaries	with effect from	Country of Incorporation	% voting power	
			As at 31st March, 2023	As at 31st March, 2022
Subsidiaries Held Directly				
Adeshwar Infrabuild Limited	11th August, 2009	India	100.00%	100.00%
Amber Real Estate Limited	16th May, 2008	India	100.00%	100.00%
Energylink India Limited	30th January, 2007	India	100.00%	100.00%
JMC Projects (India) Limited#	6th February, 2007	India	-	67.75%
Shree Shubham Logistics Limited	19th March, 2007	India	100.00%	100.00%

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

30. (a) Particulars of Subsidiaries included in Consolidation (Contd..)

Name of Subsidiaries	with effect from	Country of Incorporation	% voting power As at 31st March, 2023	% voting power As at 31st March, 2022
Kalpataru Metfab Private Limited	31st March, 2015	India	100.00%	100.00%
Brij Bhoomi Expressway Private Limited #	6th December, 2010	India	100.00%	67.75%
JMC Mining and Quarries Limited #	6th February, 2007	India	100.00%	67.75%
Vindhyachal Expressway Private Limited #	16th January, 2012	India	100.00%	67.75%
Wainganga Expressway Private Limited #	2nd June, 2011	India	100.00%	67.75%
Alipurduar Transmission Limited (upto 25th November, 2020)*	6th January, 2016	India	26.00%	51.00%
Kalpataru Power Transmission (Mauritius) Limited	8th January, 2009	Mauritius	100.00%	100.00%
Kalpataru Power Transmission - USA, Inc	11th September, 2009	USA	100.00%	100.00%
LLC Kalpataru Power Transmission Ukraine	6th November, 2012	Ukraine	100.00%	100.00%
Kalpataru IBN Omairah Company Limited	1st June, 2015	Saudi Arabia	65.00%	65.00%
Kalpataru Power Transmission Sweden AB	28th January, 2019	Sweden	100.00%	100.00%
Kalpataru Power Senegal SARL	10th August, 2020	Senegal	100.00%	100.00%
Kalpataru Power do Brasil Participações Ltda	27th January, 2021	Brazil	100.00%	100.00%
Kalpataru Power Chile SpA	28th February, 2022	Chile	100.00%	100.00%
Subsidiaries Held Indirectly				
Saicharan Properties Limited	30th June, 2009	India	100.00%	100.00%
Kalpataru Power DMCC	3rd August, 2011	UAE	100.00%	100.00%
Punarvasu Financial Services Private Limited	31st December, 2014	India	100.00%	100.00%
Linjemontage i Grästorp Aktiebolag	29th April, 2019	Sweden	100.00%	85.00%
Linjemontage Service Nordic AB	29th April, 2019	Sweden	100.00%	85.00%
Linjemontage AS	29th April, 2019	Norway	100.00%	85.00%
Fasttel Engenharia S.A.	7th April, 2021	Brazil	51.00%	-

* Refer note 6.1 (ii)

#During the current year, JMC Projects (India) Limited ("JMC") has amalgamated with the Company w.e.f 4th January, 2023. Accordingly, JMC ceased to exist from the said date and all the direct subsidiaries of JMC are now direct subsidiaries of the Company. (Refer Note 54)

(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, 2023	% voting power As at 31st March, 2022
Kohima-Mariani Transmission Limited (upto 19th December, 2021)**	2nd May, 2018	India	26.00%	51.00%
Kurukshetra Expressway Private Limited	29th March, 2010	India	49.57%	33.59%

** Refer note 6.1 (iii)

The above Joint Ventures have been accounted for in these consolidated financial statements using Equity Method and other applicable guidelines.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

(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, 2023	As at 31st March, 2022
Non-current Assets	995.45	994.67
Current Assets	3.66	5.14
Non-current Liabilities	812.45	975.50
Current Liabilities	454.27	290.38
NET ASSETS	**(267.61)**	**(266.07)**
The above amounts of Assets and Liabilities include the following:		
Cash and Cash Equivalents	2.34	1.85
Current Financial Liabilities (excluding trade payables and provisions)	451.79	287.53
Non-current Financial Liabilities (excluding trade payables and provisions)	758.94	921.98
Contingent Liabilities	45.99	45.99

(₹ in Crores)

Particulars	2022-23	2021-22
Revenue	-	18.25
Profit / (Loss) for the year	(1.61)	(40.13)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss) for the year	(1.61)	(40.13)
Dividends received from the Joint Ventures during the year	-	-
The above profit / (loss) for the year include the following :		
Depreciation and amortisation expenses	-	3.16
Interest income	-	0.06
Finance costs	-	47.72
Income tax expense (net)	-	(1.60)

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, 2023	As at 31st March, 2022
Carrying amount of the Group's interest in the Joint Venture	-	-

31. RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

(₹ in Crores)

Particulars	2022-23	2021-22
Profit Before Tax	641.52	696.41
Income tax calculated at 25.168% (Previous year 25.168%)	161.46	175.27
Tax effect of adjustment to reconcile reported income tax expenses		
Tax incentives / concessions / disallowance	1.23	6.31
Deferred tax not recognised on unused tax losses	38.25	(31.77)
Difference in tax rates and others	5.56	11.54
Income tax expenses recognized in the statement of profit and loss	**206.50**	**161.35**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

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 concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

(₹ in Crores)

Gearing ratio	As at 31st March, 2023	As at 31st March, 2022
Debt *	3,687.16	3,711.71
Cash and Cash Equivalents	(956.43)	(1,061.76)
NET DEBT	**2,730.73**	**2,649.95**
Total Equity	4,693.86	4,417.47
NET DEBT TO EQUITY RATIO	**0.58**	**0.60**

* 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, 2023	As at 31st March, 2022
Financial Assets		
Measured at Fair Value through Profit and Loss		
(i) Investments - (Level I)	1.55	1.49
(ii) Investments under held for sale (Level II)	233.95	489.57
Measured at Amortized Cost		
(i) Trade receivables	5,440.04	4,792.59
(ii) Loans	57.52	151.34
(iii) Cash and cash equivalents	956.43	1,061.76
(iv) Other balances with Bank	103.44	132.26
(v) Others	579.21	432.25
	7,372.14	**7,061.26**
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	3,682.46	3,708.94
(ii) Trade payables	5,529.91	4,579.05
(iii) Other financial liabilities	1,060.05	1,272.88
	10,272.42	**9,560.87**

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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

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 31st March, 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 Financial 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 following table analyses foreign currency risk from financial instruments as at 31st March, 2022

(₹ in Crores)

Particulars	USD	Euro	Others	TOTAL
Cash & Cash Equivalents	5.18	0.77	4.06	10.01
Trade Receivables	1,226.38	37.16	291.32	1,554.86
Other Financials Assets	28.18	4.56	10.49	43.23
TOTAL ASSET	**1,259.74**	**42.49**	**305.87**	**1,608.10**
Borrowings	18.10	-	3.32	21.42
Trade Payables	679.41	31.75	334.87	1,046.03
Other Financials Liabilities	2.45	2.86	11.12	16.43
TOTAL LIABILITIES	**699.96**	**34.61**	**349.31**	**1,083.88**
NET ASSETS / (LIABILITIES)	**559.78**	**7.88**	**(43.44)**	**524.22**

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 31st March, 2023 and 31st March, 2022, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/Euro would impact group's profit before tax by approximately 0.55% and 0.88% 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 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 a multinational bank, financial institution or exchange. These derivative financial

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

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 31st March, 2023

Outstanding Contracts	Average Exchange Rate (In equivalent ₹)	Amount in Foreig 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	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**
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)**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

As at 31st March, 2022

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	Marked to Market (MTM) Value
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	76.21	USD 2.47	188.00	1.62
Maturing in 3 months to 6 months	76.99	USD 1.42	109.55	1.56
Maturing in 6 months to 9 months	76.69	USD 5.74	440.07	4.54
Maturing in 9 months to 12 months	77.74	USD 2.98	231.86	3.32
Maturing more than 12 months	79.15	USD 13.88	1,098.44	12.89
TOTAL/AVERAGE	**78.07**	**USD 26.49**	**2,067.92**	**23.93**
Sell USD Buy SEK				
Maturing less than 3 months	7.84	SEK 6.80	53.35	2.14
TOTAL/AVERAGE	**7.84**	**SEK 6.80**	**53.35**	**2.14**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	76.96	USD 1.83	141.17	1.75
Maturing in 3 months to 6 months	76.48	USD 2.01	153.35	0.98
Maturing in 6 months to 9 months	79.39	USD 1.98	157.22	3.01
Maturing in 9 months to 12 months	80.12	USD 0.66	52.53	1.21
More than 12 Months	79.64	USD 0.98	78.39	0.02
TOTAL/AVERAGE	**78.11**	**USD 7.46**	**582.66**	**6.97**
Sell EUR Buy USD				
Maturing less than 3 months	86.04	EUR 0.15	13.17	0.26
TOTAL/AVERAGE	**86.04**	**EUR 0.15**	**13.17**	**0.26**
Buy USD Sell INR				
Maturing less than 3 months	75.77	USD 0.02	1.44	0.00
Maturing in 3 months to 6 months	77.20	USD 1.91	147.62	(0.15)
Maturing in 9 months to 12 months	78.63	USD 0.96	75.75	(0.21)
TOTAL/AVERAGE	**77.67**	**USD 2.89**	**224.81**	**(0.36)**
Sell EURO Buy INR				
More than 12 Months	94.23	EUR 0.93	87.63	8.41
TOTAL/AVERAGE	**94.23**	**EUR 0.93**	**87.63**	**8.41**

Reconciliation of Hedge Reserve

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	46.07	26.93
Add: Gain/(Loss) recognised in OCI during the year	(58.08)	19.14
Tax impact on above	3.20	(11.42)
Non Controlling Interest	6.41	(2.70)
Balance at the end of the year (Gross)	(12.01)	46.07
BALANCE AT THE END OF THE YEAR (NET OF TAX)	**(2.40)**	**31.95**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

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.

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	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Not Due	3,308.92	2,760.07	16.55	-
Less than 6 months	1,417.87	1,016.69	0.23	10.00
From 6 months to 1 year	231.21	353.94	5.04	-
From 1 year to 2 years	207.98	401.14	20.30	1.79
From 2 year to 3 years	132.68	166.58	22.81	49.06
Above 3 years*	75.66	101.14	152.05	106.75
	5,374.32	**4,799.56**	**216.98**	**167.60**

*Includes Trade receivable amounting to ₹ 13.22 Crores (Previous year ₹ 12.85 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 movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(₹ in Crores)

Particulars	2022-23	2022-23
	Trade receivable	Contract Assets
Balance as at 1st April, 2022	**174.57**	**26.70**
Provision created / (reversal) -Net	(23.31)	(9.65)
Balance as at 31st March, 2023	**151.26**	**17.05**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Expected credit loss assessment for customers (Contd..)

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

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 previous year, 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 7th October, 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. During the previous year, the Company had recognized provision towards Expected credit loss of ₹ 48.95 Crores against loans given to KEPL / others.

Further, the Promoters of KEPL have, jointly and severally given 'shortfall undertakings' to the Senior Lenders, should there be any shortfall between amounts received from NHAI and that payable to KEPL's lenders. KEPL received copy of the letter dated 3rd February, 2022 sent by 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". Accordingly, in light of the above the Company had made further provision for Expected Credit Loss of ₹ 46.29 Crores. The Company had also recognized ₹ 39.77 crores towards their share (49.57%) being a potential shortfall, if any, which was disclosed as an exceptional item in the previous year. The Company 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. During the year KEPL has invoked arbitration proceedings against NHAI in terms of the concession agreement.

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant liabilities

(₹ in Crores)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Financial Liabilities						
(i) Trade Payables	5,368.51	161.40	5,529.91	4,253.33	325.72	4,579.05
(ii) Borrowings	2,468.70	1,218.46	3,687.16	2,155.74	1,555.97	3,711.71
(iii) Other financial liabilities	612.08	447.97	1,060.05	753.97	518.91	1,272.88
TOTAL			**10,277.12**			**9,563.64**

Note- 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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Interest Rate Sensitivity Analysis

For the year ended 31st March, 2023 and 31st March, 2022, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact group's profit before tax by approximately 4.5% and 2.60 % 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 13.63 % for FY 2022-23 and 11.83 % for FY 2021-22.

Exposure As at 31st March, 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**	**87.47**	**(87.47)**

Exposure As at 31st March, 2022

(₹ in Crores)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			Increase	Decrease
Aluminum	Fixed Price Contracts	766.57	38.33	(38.33)
Zinc	Fixed Price Contracts	203.68	10.18	(10.18)
Steel	Fixed Price Contracts	568.65	28.43	(28.43)
Copper	Fixed Price Contracts	109.00	5.45	(5.45)
TOTAL		**1,647.90**	**82.39**	**(82.39)**

33. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE GROUP AGAINST BORROWINGS.

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Property, Plant and Equipments (including CWIP)	1,534.20	1,333.65
Intangible Assets	1,397.65	1,491.59
Inventories	1,070.96	906.49
Financial Assets (Non-current & current)		
Trade Receivables	5,176.62	4,274.00
Loans	-	50.27
Cash & Bank Balances	754.01	866.21
Other Balances with Banks	99.00	122.57
Other Assets	5,927.68	4,582.74
TOTAL	**15,960.12**	**13,627.52**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

34. CONTINGENT LIABILITIES IN RESPECT OF :

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Bank guarantees	36.59	20.96
(b) Claims against the group not acknowledged as debt	41.55	50.99
(c) Demands by Service Tax/ Excise/Income Tax and other tax/ revenue authorities, under disputes	202.22	240.31

35. CAPITAL & OTHER COMMITMENTS

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Estimated amount of contracts remaining to be executed for tangible capital assets and not provided for (net of advances)	124.27	165.62

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	
	2022-23	2021-22	2022-23	2021-22
Carrying amount at the beginning of the year	39.35	52.80	280.49	351.51
Add: Provision/Expenses during the year (net)	43.54	(13.45)	109.27	88.68
Less : Utilisation / Reversal during the year	43.54	-	92.75	159.81
Less : Discounting during the year	-	-	-	(0.11)
CARRYING AMOUNT AT THE END OF THE YEAR	**39.35**	**39.35**	**297.01**	**280.49**

*Carrying amount as at 31st March 2023 includes ₹ 25.18 Crores pertaining to assets held for sales

(₹ in Crores)

B. Particulars	Other Provisions		Expected Loss on contracts	
	2022-23	2021-22	2022-23	2021-22
Carrying amount at the beginning of the year	26.39	26.47	128.68	150.15
Add: Provision/Expenses during the year	(0.79)	(0.08)	71.84	85.34
Less : Utilisation / Reversal of Provisions	-	-	96.70	106.81
CARRYING AMOUNT AT THE END OF THE YEAR	**25.60**	**26.39**	**103.82**	**128.68**

37. EARNING PER SHARE

Particulars	2022-23	2021-22
No. of Equity Shares at the beginning of the year	14,89,09,208	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	14,89,09,208
Weighted Average No. of Equity Shares	15,16,90,772	14,89,09,208
Profit for calculation of EPS(₹ in Crores)	440.75	540.30
Basic and Diluted Earnings Per Share (₹)	29.06	36.28
Nominal value of Equity Share (₹)	2.00	2.00

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

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 ₹ 32.59 Crores) for provident fund contributions and ₹ 0.38 Crores (Previous Year ₹ 0.53 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.

(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	2022-23	2021-22
(i) Expenses recognised during the year		
In the statement of Profit & Loss	11.41	9.55
In Other Comprehensive Income	(1.99)	(0.71)
TOTAL	**9.42**	**8.84**
(ii) Expenses recognised in the statement of Profit & Loss		
Current Service Cost	8.38	8.01
Net Interest Cost	3.03	1.54
TOTAL	**11.41**	**9.55**
(iii) Expenses recognised in other comprehensive income		
Actuarial (gains) / losses		
change in financial assumptions	(3.22)	(0.89)
experience variance	1.19	0.11
Return on plan assets	0.04	0.07
TOTAL	**(1.99)**	**(0.71)**

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(iv) Net Liability recognised in the Balance Sheet		
Present value of obligation	65.52	60.09
Fair value of plan assets	37.38	35.16
Assets / (Liability) recognised in the Balance Sheet	**(28.14)**	**(24.93)**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

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. (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(v) Changes in Present Value of Obligations		
Present value of obligation at the beginning of the year	60.09	54.99
Current Service Cost	8.38	8.01
Interest Cost (Gross)	5.38	3.11
Actuarial (gains) / losses arising from:		
changes in financial assumptions	(3.22)	(0.89)
changes in experience assumptions	1.19	0.11
Liability transferred	(0.10)	-
Benefits paid	(6.20)	(5.24)
Present value of obligation at the end of the year	**65.52**	**60.09**
(vi) Changes in Fair Value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	35.16	28.40
Interest Income	2.35	1.57
Return on Plan Assets	(0.04)	(0.07)
Contributions by Employer	6.11	10.50
Benefits paid	(6.20)	(5.24)
Fair value of Plan Assets at the end of the year	**37.38**	**35.16**
(vii) Bifurcation of present value of obligations into current and non-current		
Current Liability	11.83	5.40
Non-current Liability	16.31	19.53
(viii) Actuarial assumptions used in determining the obligation are		
Discount rate	7.23% - 7.60%	5.60%-6.90%
Salary Escalation Rate	6.00%	5.00%-8.00%
Mortality Rate	As per Indian Assured Lives Mortality (2012-14) Table	
Withdrawal Rate	2.00%-21.00%	2.00%-25.00%
Retirement Age	58 - 60 years	
Expected Return on Asset	7.23% - 7.60%	5.60%-6.90%
(ix) Maturity Profile of Defined benefit obligation		
1 year	12.66	10.67
2 year	9.02	8.31
3 year	8.29	8.52
4 year	7.27	8.41
5 year	7.04	7.97
after 5 years	25.90	34.26
(x) Quantitative Sensitivity Analysis for Significant Assumptions		
Defined Benefits Obligation (Base) (₹ in Crores)	65.52	60.09
Impact of change in discount rate		
Revised obligation at the end of the year		
due to increase of 0.50%	59.07	58.24
due to decrease of 0.50%	62.31	61.62
Impact of change in salary increase		
Revised obligation at the end of the year		
Impact due to increase of 0.50%	62.04	61.32
Impact due to decrease of 0.50%	59.31	58.45

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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

38. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (Contd..)

(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.

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	
	Kohima-Mariani Transmission Limited (upto 19th December, 2021)*	
(b)	**Key Management Personnel**	
	Mr. Mofatraj P. Munot (Upto 31st March 2022)^	Promoter Director & Non-Executive Chairman
	Mr. Manish Mohnot	Managing Director & 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	

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

40. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW: (Contd..)

List of Related Parties (Contd..)

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 Plus Sharyans
Kalpataru Business Solutions Private Limited

^Executive Chairman upto 31st March 2022 & Non-Executive Charirman w.e.f. 2nd May 2022

*The Company has completed transfer of 25% of total equity shares Kohima Mariani Transmission Limited (KMTL) w.e.f 24th February 2023. Hence, KMTL ceased to be a subsidiary of the Company in terms of section 2 (87) of the Companies Act, 2013 from the said dates.

Transactions with Related Parties in ordinary course of business are:

(₹ in Crores)

Particulars		Relationship	2022-23	2021-22
1	**Net Loans and advances given/ (repaid)**			
	Kohima-Mariani Transmission Limited	Joint Venture	-	(36.06)
	Kurukshetra Expressway Private Limited*	Joint Venture	2.81	59.35
	*Impairment on Loan during the year ₹ 2.81 Crores (previous year ₹ 59.35 Crores)			
2	**Other Expenses / Service Charges**			
	Kalpataru Limited	Enterprises having significant influence	-	0.27
	Property Solution (India) Private Limited	Enterprises having significant influence	4.11	2.35
	Gurukrupa Developers	Enterprises having significant influence	0.18	-
	Kalpataru Business Solutions Private Limited	Enterprises having significant influence	0.25	-
3	**Reimbursement of Expenses Payable / (Receivable)**			
	Agile Real Estate Private Limited	Enterprises having significant influence	0.64	0.93
	Kohima-Mariani Transmission Limited	Joint Venture	-	(3.70)
	Kalpataru Limited	Enterprises having significant influence	0.71	0.44
	Kiyana Ventures LLP	Enterprises having significant influence	-	0.02
4	**Rent Expenses**			
	Kalpataru Limited*	Enterprises having significant influence	17.84	18.34
	BGK Infrastructure Developers Private Limited	Enterprises having significant influence	0.04	0.56
	K C Holdings Private Limited	Enterprises having significant influence	0.05	0.06
	Dynacraft Machine Company Limited	Enterprises having significant influence	0.56	0.56
	*During Previous year units of Kalpataru Retail Ventures Private Limited merged with Kalpataru Limited			
5	**Revenue from Operations**			
	Kohima-Mariani Transmission Limited	Joint Venture	-	64.59
	Abacus Real Estate Private Limited	Enterprises having significant influence	14.25	0.99
	Agile Real Estate Private Limited	Enterprises having significant influence	82.52	31.02
	Kalpataru Urbanscape LLP	Enterprises having significant influence	37.94	28.27
	Kalpataru Plus Sharyans	Enterprises having significant influence	-	0.04
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	0.13
6	**Other Income**			
	Kohima-Mariani Transmission Limited	Joint Venture	-	2.76
	Kalpataru Limited	Enterprises having significant influence	0.08	0.08

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

40. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW: (Contd..)

Transactions with Related Parties in ordinary course of business are: (Contd..)

(₹ in Crores)

Particulars	Relationship	2022-23	2021-22
7 Purchase of Property, Plant and Equipments			
Gurukrupa Developers	Enterprises having significant influence	2.19	-
8 Salary and Commission *			
Mr. Mofatraj P. Munot	Promoter Director & Non-executive Chairman	1.50	11.38
Mr. Manish Mohnot	Key Management Personnel	12.42	13.92
Mr. Parag Munot	Promoter Director	2.40	2.25
* break up of Compensation to key managerial personnel			
Short term employment benefits		12.42	25.30
9 Dividend Paid			
Kalpataru Properties Private Limited	Enterprises having significant influence	-	1.61
Kalpataru Construction Private Limited	Enterprises having significant influence	15.18	3.50
K C Holdings Private Limited	Enterprises having significant influence	13.74	3.17
Kalpataru Viniyog LLP	Enterprises having significant influence	0.86	0.20
Kalpataru Holdings Private Limited	Enterprises having significant influence	0.22	0.05
Mr. Mofatraj P. Munot	Promoter Director & Non-executive Chairman	10.62	1.50
Mr. Parag Munot	Promoter Director	5.18	1.19
Ms. Sudha Golechha	Relative of Promoter Director	0.57	0.13
Ms. Sunita Choraria	Relative of Promoter Director	0.57	0.13
10 Security Deposit paid			
Kalpataru Limited	Enterprises having significant influence	4.20	-
11 Security Deposit Received back			
Kalpataru Limited	Enterprises having significant influence	0.64	-
12 Advance from Customers received / (adjusted) (net)			
Abacus Real Estate Private Limited	Enterprises having significant influence	6.67	-
Agile Real Estate Private Limited	Enterprises having significant influence	4.36	2.38
Kalpataru Urbanscape LLP	Enterprises having significant influence	(3.45)	(4.34)
13 Advances given / (Adjusted) (net)			
Gurukrupa Developers	Enterprises having significant influence	(0.20)	-
14 Purchase / (Sales) of Materials			
Agile Real Estate Private Limited	Enterprises having significant influence	0.40	-
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	7.39	4.11
15 Corporate Social Responsibility			
Kalpataru Foundation	Enterprises having significant influence	7.61	6.46

Balances with Related parties as at 31st March, 2023

(₹ in Crores)

Particulars	Relationship	As at 31st March 2023	As at 31st March 2022
1 Advances Given			
Gurukrupa Developers	Enterprises having significant influence	0.67	0.87
Kalpataru Properties Private Limited	Enterprises having significant influence	32.31	32.31
2 Loans Given			
Kurukshetra Expressway Private Limited*	Joint Venture	301.68	298.87
*Impairment on Loan ₹ 301.68 Crores (previous year ₹ 298.87 Crores)			

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

40. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW: (Contd..)

Balances with Related parties as at 31st March, 2023 (Contd..)

(₹ in Crores)

Particulars	Relationship	As at 31st March 2023	As at 31st March 2022
3 Security Deposit Given			
Kalpataru Limited	Enterprises having significant influence	97.76	94.20
Dynacraft Machine Company Limited	Enterprises having significant influence	0.56	0.56
4 Trade and Other Payable			
Kalpataru Limited	Enterprises having significant influence	0.74	14.79
Agile Real Estate Private Limited	Enterprises having significant influence	-	0.97
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.05	0.05
Property Solution (India) Private Limited	Enterprises having significant influence	0.64	0.42
BGK Infrastructure Developers Private limited	Enterprises having significant influence	-	0.03
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	0.86	-
Kiyana Ventures LLP	Enterprises having significant influence	0.02	-
Mr. Mofatraj P. Munot	Promoter Director & Non-executive Chairman	1.50	6.90
Mr. Manish Mohnot	Key Management Personnel	8.24	10.15
Mr. Parag Munot	Promoter Director	2.40	2.25
Kalpataru Business Solutions Private Limited	Enterprises having significant influence	0.25	-
5 Trade and Other Receivables			
Kiyana Ventures LLP	Enterprises having significant influence	19.40	19.38
Abacus Real Estate Private Limited	Enterprises having significant influence	9.39	1.06
Agile Real Estate Private Limited	Enterprises having significant influence	40.38	43.50
Kalpataru Limited	Enterprises having significant influence	0.02	-
Kalpataru Urbanscape LLP	Enterprises having significant influence	64.43	44.15
6 Advances From Customers			
Kiyana Ventures LLP	Enterprises having significant influence	0.71	0.71
Kalpataru Urbanscape LLP	Enterprises having significant influence	-	3.45
Agile Real Estate Private Limited	Enterprises having significant influence	6.74	2.38
Abacus Real Estate Private Limited	Enterprises having significant influence	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	2022-23	2021-22
Subcontracting Expenses	4,080.65	3,596.28
Construction material, Stores and Spares Consumed	577.70	463.52
Power and Fuel	226.36	133.34
Freight and Forwarding Expenses	45.56	38.29
Vehicle and Equipment Hire Charges	281.20	273.11
Custom Duty, Clearing & Handling Charges	39.30	20.52
Others	162.73	168.10
TOTAL	**5,413.50**	**4,693.16**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

42. (a) One of the Subsidiary Company has filed a writ petition dated 6th May, 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 1st April, 2009, 20th August, 2008 and 5th February, 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 1st April, 2009, 20th August, 2008, and 5th February, 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 11th May, 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 29th March, 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	
	2022-23	**2021-22**
Revenue accounted during the year	200.56	179.13
Loss before tax	(30.02)	(48.60)

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

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 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**

Financial Year 2021-22

(₹ in Crores)

Particulars	GROSS BLOCK					AMORTISATION					NET BLOCK
	As at 1st April 2021	Additions	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2022	As at 1st April 2021	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2022	As at 31st March, 2022
TANGIBLE ASSETS											
Land	2.44	1.28	0.35	-	3.37	0.17	0.19	-	-	0.36	3.01
Buildings	118.83	42.01	13.78	(0.73)	146.33	52.61	40.11	11.53	(0.52)	80.67	65.66
Plant & Equipments	26.79	37.50	0.20	(0.14)	63.95	2.70	10.56	0.18	(0.05)	13.03	50.92
Vehicles	25.68	4.36	2.24	(1.05)	26.75	8.47	6.62	1.76	(0.66)	12.67	14.08
Furniture and Fixture	-	0.04	-	-	0.04	-	0.01	-	-	0.01	0.03
TOTAL	**173.74**	**85.19**	**16.57**	**(1.92)**	**240.44**	**63.95**	**57.49**	**13.47**	**(1.23)**	**106.74**	**133.70**

3. Finance costs includes interest expense amounting to ₹ 9.03 Crores (previous year ₹ 8.57 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, 2023	As at 31st March, 2022
Maturity analysis - Undiscounted cash flows		
Less than one year	53.73	59.86
More than one year	60.95	83.95
TOTAL UNDISCOUNTED LEASE LIABILITIES	**114.68**	**143.81**
Lease liabilities included in financial position		
Current	48.87	54.53
Non current	54.80	74.31

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

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

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 Power Transmission Limited	112.71%	5,320.64	120.90%	532.88	111.31%	(47.13)	121.92%	485.75
Subsidiaries								
Indian								
Adeshwar Infrabuild Limited	-0.01%	(0.24)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Amber Real Estate Limited	0.02%	1.07	0.02%	0.07	0.00%	-	0.02%	0.07
Energylink India Limited	2.28%	107.79	0.00%	0.01	0.00%	-	0.00%	0.01
Shree Shubham Logistics Limited	2.09%	98.48	-6.78%	(29.90)	0.12%	(0.05)	-7.52%	(29.95)
Kalpataru Metfab Private Limited	0.31%	14.41	-0.02%	(0.11)	0.00%	-	-0.03%	(0.11)
Brij Bhoomi Expressway Private Limited	-0.64%	(30.06)	0.23%	1.01	0.05%	(0.02)	0.25%	0.99
JMC Mining and Quarries Limited	0.05%	2.46	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Saicharan Properties Limited	2.30%	108.65	0.34%	1.52	-0.02%	0.01	0.38%	1.53
Vindhyachal Expressway Private Limited	-0.47%	(22.22)	1.17%	5.15	0.05%	(0.02)	1.29%	5.13
Wainganga Expressway Private Limited	-6.27%	(295.85)	-8.52%	(37.55)	0.02%	(0.01)	-9.43%	(37.56)
Punarvasu Financial Services Private Limited	0.46%	21.75	0.24%	1.06	0.00%	-	0.27%	1.06
Foreign								
Kalpataru Power Transmission (Mauritius) Limited	-0.11%	(5.20)	-1.61%	(7.10)	0.00%	-	-1.78%	(7.10)
Kalpataru Power Transmission - USA, INC	0.11%	4.96	0.32%	1.41	-0.83%	0.35	0.44%	1.76
LLC Kalpataru Power Transmission Ukraine	-0.03%	(1.32)	0.00%	(0.01)	-0.47%	0.20	0.05%	0.19
Kalpataru Power DMCC, UAE	-0.07%	(3.14)	0.01%	0.03	0.59%	(0.25)	-0.06%	(0.22)
Kalpataru IBN Omairah Company Limited	-1.78%	(84.16)	-13.33%	(58.73)	12.59%	(5.33)	-16.08%	(64.06)
Kalpataru Power Transmission Sweden AB	1.14%	54.03	-0.50%	(2.20)	0.00%	-	-0.55%	(2.20)
Linjemontage i Grästorp Aktiebolag	2.76%	130.39	10.24%	45.12	0.00%	-	11.33%	45.12
Linjemontage Service Nordic AB	0.41%	19.30	1.11%	4.90	0.00%	-	1.23%	4.90
Linjemontage AS	-0.11%	(5.19)	-0.91%	(4.03)	0.00%	-	-1.01%	(4.03)
Kalpataru Power Senegal SARL	0.25%	11.91	-1.02%	(4.50)	-1.49%	0.63	-0.97%	(3.87)
Kalpataru Power DO Brasil Participacoes Ltda	2.26%	106.91	-0.51%	(2.23)	0.00%		-0.56%	(2.23)
Fasttel Engenharia S.A.	-0.60%	(28.54)	-9.40%	(41.44)	1.16%	(0.49)	-10.52%	(41.93)
Kalpataru Power Chile SpA	0.08%	3.64	0.42%	1.86	-0.66%	0.28	0.54%	2.14
Non Controlling interest in all subsidiaries	0.57%	26.76	1.30%	5.73	-31.48%	13.33	4.78%	19.06
Joint Venture (as per equity consolidation method)								
Kurukshetra Expressway Private Limited	0.00%	-	-0.64%	(2.81)	0.00%	-	-0.71%	(2.81)
Adjustment arising out of consolidation	-17.73%	(836.61)	6.95%	30.65	9.06%	(3.84)	6.73%	26.81
TOTAL	**100.00%**	**4,720.62**	**100.00%**	**440.75**	**100.00%**	**(42.34)**	**100.00%**	**398.41**

46. BUSINESS COMBINATION

During previous year, On 7th April, 2021, the Company's wholly owned Subsidiary Company, Kalpataru Power do Brasil Participações Ltda had acquired 51% stake in Fasttel Engenharia S.A. (Fasttel). The Company has paid ₹ 62.24 Crores (BRL 47 million) to acquire 51% stake in Fasttel.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

46. BUSINESS COMBINATION (Contd..)

The Holding Company had accounted for transaction under Ind AS 103, "Business Combinations" and allocated the Purchase consideration paid for this acquisition as follows :

(₹ in Crores)

Particulars	2021-22
Net assets excluding deferred tax liabilities	(22.40)
Intangible assets	44.73
Goodwill	60.70
Deferred tax liabilities	(20.79)
TOTAL CONSIDERATION PAID	**62.24**

47. GOODWILL AND TRADEMARK WITH INDEFINITE LIFE

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 2023	As at 31st March, 2022	As at 31st March 2023	As at 31st March, 2022
Balance at the beginning of the year	**184.21**	**114.76**	**36.68**	**21.81**
Acquired on business combination during the year	-	60.70	-	13.05
Foreign currency translation difference	(0.60)	8.75	0.18	1.82
BALANCE AT THE END OF THE YEAR	**183.61**	**184.21**	**36.86**	**36.68**

The Holding Company did not identify any impairment based on internal cashflow forecast.

48. 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.

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker (CODM) for the purpose of resource allocation and assessing performance.

Summarised segment information are as follows :

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

48. SEGMENT REPORTING (Contd..)

(a) Business Segment

(₹ in Crores)

Particulars	EPC		Developmental Projects		Others		TOTAL	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
(i) Segment Revenue	15,978.59	14,442.59	271.80	212.80	116.87	124.34	16,367.26	14,779.73
Less: Inter-Segmental Revenue							5.82	2.35
REVENUE FROM OPERATIONS							**16,361.44**	**14,777.38**
(ii) Segment Results (before finance cost and interest income)	963.86	977.65	111.74	103.05	(1.38)	(3.35)	1,074.22	1,077.35
Add: Interest income							34.05	35.28
Less: Finance Costs							466.75	396.33
Share of Loss from Joint Venture							-	(19.89)
Profit Before Tax							**641.52**	**696.41**
Current Tax							265.64	191.59
Deferred Tax							(59.14)	(30.24)
NET PROFIT FOR THE YEAR							**435.02**	**535.06**
(iii) Other Information								
Depreciation and Amortisation Expenses							391.75	350.78
Impairment of assets	-	-	-	15.43	18.22	22.28	18.22	37.71

(₹ in Crores)

Particulars	EPC	Developmental Projects	Others	TOTAL
(iv) Segment Assets and Liabilities				
As at 31st March, 2023				
Segment Assets	17,147.71	2,313.22	476.18	19,937.11
Less: Inter segmental assets	-	356.26	-	356.26
NET SEGMENT ASSETS	**17,147.71**	**1,956.96**	**476.18**	**19,580.85**
Segment Liabilities	13,395.93	1,274.45	364.44	15,034.82
Less: Inter segmental liabilities	-	5.40	142.43	147.83
NET SEGMENT LIABILITIES	**13,395.93**	**1,269.05**	**222.01**	**14,886.99**
As at 31st March, 2022				
Segment Assets	14,733.14	2,300.55	517.35	17,551.04
Less: Inter segmental assets	335.92	-	3.61	339.53
NET SEGMENT ASSETS	**14,397.22**	**2,300.55**	**513.74**	**17,211.51**
Segment Liabilities	11,206.45	1,559.45	371.40	13,137.30
Less: Inter segmental liabilities	3.59	199.15	140.52	343.26
NET SEGMENT LIABILITIES	**11,202.86**	**1,360.30**	**230.88**	**12,794.04**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

48. SEGMENT REPORTING (Contd..)

(b) Geographical Segment

(₹ in Crores)

Particulars	2022-23	2021-22
Revenue from Operations		
Within India	10,917.13	9,828.86
Outside India^	5,444.31	4,948.52
TOTAL	**16,361.44**	**14,777.38**

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non Current Assets*		
Within India	1,708.24	1,720.98
Outside India^	558.17	192.78

* 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.

49. Revenue from major customers - Public sector undertakings in India, is ₹ 6,372.42 Crores (Previous Year ₹ 4,269.72 Crores). Revenue from other individual customer is less than 10% of total revenue.

50. Performance obligations unsatisfied or partially satisfied amounts to ₹ 45,918 Crores (Previous Year ₹ 29,323 Crores) as at 31st March, 2023 for which revenue is expected to be recognized in future over the period of 1 to 8 years.

51. INVESTMENT PROPERTIES :

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment Properties - at Cost	-	0.82
Investment Properties - at Fair Value	-	13.32

Fair Valuation Technique: Previous year, the fair value of Investment property has been determined by independent external Government registered property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. Valuation of the subject property has been done by Sales Comparison Method under Market Approach at last year balance sheet date.

52. The Group has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(₹ 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
		As at 31st March, 2023	As at 31st March, 2022	
Rupc Enterprises Private Limited	Trade Payable	0.01	0.01	NA
Shivasha Realtech India Private Limited	Trade Payable	0.12	0.12	NA
J A Projects Private Limited	Trade Payable	0.14	0.14	NA

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

52. The Group has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. (Contd..)

(₹ in Crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding As at 31st March, 2023	Balance outstanding As at 31st March, 2022	Relationship with the Struck off company, if any, to be disclosed
Utkarsh & Aradhya Builders And Construction Pvt Ltd	Trade Payable	0.01	0.01	NA
Thiruvishnu Sabarisha Construction Private Limited	Trade Payable	0.01	0.01	NA
N A Fabrication And Engineering Work Private Limited	Trade Payable	0.09	0.12	NA
T. K. Construction And Services Private Limited	Trade Payable	0.01	-	NA
Laxmi Engineering Consultancy Private Limited	Trade Payable	0.02	-	NA
Skumar Infratech Private Limited	Trade Payable	0.26	-	NA

53. LOANS OR ADVANCES TO SPECIFIED PERSONS

(₹ in Crores)

Type of Borrower	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	3.43	0.93%	8.16	1.78%

54. The Ahmedabad bench of Hon'ble National Company Law Tribunal (NCLT) has approved the Scheme of amalgamation ('the Scheme') of JMC Projects (India) Limited ('JMC') with the Company and their respective shareholders vide its Order dated 21st, December 2022. A certified copy of the Order was filed with the Registrar of Companies on 4th January, 2023 and the scheme became effective. The appointed date as per the Scheme is 1st April, 2022.

Consequently, the Company has 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 are recorded in the register of members on 11th January, 2023 ('Record date').

The Impact of amalgamation has been 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 is increase in equity share capital and capital reserve.

55. EXCEPTIONAL ITEMS

(i) Exceptional gain (net) for the year ended 31st March, 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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

55. EXCEPTIONAL ITEMS (Contd..)

(ii) Exceptional gain (net) for the year ended 31st March, 2022 includes :

(a) Gain (including fair value gain) on sale of stake in Kohima Mariani Transmission Limited amounting to ₹ 262.41 Crores.

(b) Provision for impairment of ₹ 15.43 Crores in value of intangible assets of a subsidiary namely Wainganga Expressway Private Limited.

(c) Impairment loss of ₹ 22.28 Crores on Property, Plant and Equipments of a subsidiary namely Shree Shubham Logistics Limited.

During previous year, 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 7th October, 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. During the previous year, the Company had recognized provision towards Expected credit loss of ₹ 48.95 Crores against loans given to KEPL / others. Further, the Promoters of KEPL have, jointly and severally given 'shortfall undertakings' to the Senior Lenders, should there be any shortfall between amounts received from NHAI and that payable to KEPL's lenders. KEPL received copy of the letter dated 3rd February, 2022 sent by 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". Accordingly, in light of the above the Company had made further provision for Expected Credit Loss of ₹ 46.29 Crores. The Company had also recognized ₹ 39.77 crores towards their share (49.57%) being a potential shortfall, if any, which was disclosed as an exceptional item in the previous year. The Company 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. During the year KEPL has invoked arbitration proceedings against NHAI in terms of the concession agreement.

56. ADDITIONAL DISCLOSURES PURSUANT TO SCHEDULE III TO THE COMPANIES ACT

(i) 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 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**
FY 2021-22						
(i) MSME	33.30	74.58	2.42	0.37	45.57	156.24
(ii) Others	1,201.72	1,687.79	137.85	61.38	59.91	3,148.65
(iii) Disputed dues – MSME	1.64	1.20	0.01	-	-	2.85
(iv) Disputed dues - Others	0.61	0.29	0.05	0.06	1.96	2.97
(v) Unbilled	1,264.25	4.09	-	-	-	1,268.34
TOTAL	**2,501.52**	**1,767.95**	**140.33**	**61.81**	**107.44**	**4,579.05**

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

56. ADDITIONAL DISCLOSURES PURSUANT TO SCHEDULE III TO THE COMPANIES ACT (Contd..)

ii. 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.

57. 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 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 :

Particulars	Name of Entity	Date	Amount in Crores	Details of Entity	
				Relationship with the Company	Registration Number
Date and Amount of fund invested in Intermediary	KPBPL	May 25, 2022	23.29	Subsidiary Company	40.587.945/0001-76
Date and Amount of fund invested in Intermediary	KPBPL	May 27, 2022	23.27	Subsidiary Company	40.587.945/0001-76
Date and Amount of fund further invested by Intermediary to beneficiary	Fasttel	June 02, 2022	46.56	Step down Subsidiary Company	80.527.104/0001-98
Date and Amount of fund invested in Intermediary	KPT Sweden	July 05, 2022	94.79	Subsidiary Company	559192-7271
Date and Amount of fund further invested by Intermediary to beneficiary	LMG	July 07, 2022	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).

(b) 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.

Notes forming part of Consolidated Financial Statement

for the year ended 31st March, 2023

58. Vindhyachal Expressway Private Limited ("VEPL" or "Concessionaire") and Wainganga Expressway Private Limited ("WEPL" or "Concessionaire"), subsidiaries of one of the subsidiary 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 year, arbitration award in case of VEPL is received in favor of the Company, however, the amount of award is yet to be finalised.

59. The Board of Directors have recommended a dividend of ₹ 7.00 per equity share for the financial year 2022-23, subject to approval by shareholders at the Annual General Meeting and if approved, would result in cash outflow of ₹ 113.71 Crores, which has not been included as liability in these consolidated financial statements.

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

Vikas R Kasat
Partner
Membership No : 105317

Mumbai : 8th May, 2023

Ram Patodia
Chief Financial Officer

Shweta Girotra
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908

Mumbai : 8th May, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Kalpataru Power Transmission Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of 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 ventures and joint operation, which comprise the consolidated balance sheet as at 31 March, 2022, 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 a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Subsidiary Company's branches at Ethiopia, Sri Lanka, Mongolia, Maldives and Ghana (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 the branch auditors on financial statements of such branches as were audited by the branch auditors and reports of other auditors on separate / consolidated financial statements of such subsidiaries, joint ventures and joint operations 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, joint ventures and joint operation as at 31 March, 2022, 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, joint ventures and joint operation 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 reports of the branch auditors and other auditors 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 Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of branch auditors and other auditors on separate / consolidated financial statements of components audited by them, 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.

Description of Key Audit Matter

Sr. No.	The key audit matter	How the matter was addressed in our audit
1	**Recognition of contract revenue and margin:** The Group enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods. Ind AS 115, Revenue from Contracts with Customers, requires an entity to select a single measurement method for the relevant performance obligation which depicts the entity's performance in transferring goods or services. In case of onerous contract, present obligations are recognised and measured as provisions.	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: ● Assessed compliance of the Group policies in respect of revenue recognition with the applicable accounting standards. ● We selected a sample of contracts to test, using a risk-based criteria which included individual contracts with: - Significant revenue recognised during the year; - Significant unbilled work in progress (WIP) balances held at the year-end; or

INDEPENDENT AUDITOR'S REPORT (Contd.)

	The Group is recognising contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard. It relies on management's estimates of the final outcome of each contract, and involves management judgement, particularly in forecasting the cost to complete a contract, valuing contract variations, claims and liquidated damages. We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete the contract is inherently subjective, complex and require significant management judgement. The same may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations etc., and could result in significant variance in the revenue and profit or loss from contract for the reporting period. Refer note 23 to the consolidated Financial Statements.	- Low profit margins. ● Obtained an understanding of management's process for analyzing long term contracts, the risk associated with the contract and any key judgements. ● Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry, observations, re-performance and inspection of evidence. ● Verified underlying documents such as contract, and its amendments, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and / or any change in such estimation. ● Evaluating retrospective results for contracts completed during the current year. Comparing the final outcome of the contracts with previous estimates made for these contracts to assess the reliability of management forecasting process. ● Considered the adequacy of the disclosures in note 23 to the consolidated financial statements.
2	**Income from toll collection** The Group is also into a business of toll collection under service concession agreement, which is complex in nature and span over a number of reporting periods. The right to collect toll is based on the number of vehicles passed from the toll assets. The process of identifying the usage charges is system driven based on the type / class of vehicles, distance etc. These are charged / billed by using complex IT software and hardware. This is a key audit matter considering the nature and volume of transaction; and reliance on information technology systems for the related automated and IT dependent controls. Refer note 23 to the Consolidated Financial Statements.	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: ● Understand the process and controls placed for toll collection. Tested the key controls around such processes for the operating effectiveness. ● Tested Information Technology General Controls (ITGCs) which assisted the integrity of the tolling system operation, including access, operations and change management controls; ● Verified the reconciliation of toll collection as per transaction report (generated from toll system) with cash deposited in the designated bank account and revenue was as per the financial statements. Further, on sample basis verified the previous images and examined that the charges which were based on vehicle classification. ● Verified the exemptions and other dispensations allowed, as well as analysis of data for unusual transactions and examined the same. ● Performed the cut off procedures in relation to revenue to test the completeness of revenue.
3	**Impairment Testing for Intangible Assets - Toll Collection Rights** The Group has toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain if there is any impairment.	In view of the significance of the matter the auditor of the subsidiary has reported the following audit procedures in this area which were applied, among others to obtain sufficient appropriate audit evidence: ● Evaluating design and implementation and testing operating effectiveness of key internal controls placed around the impairment assessment process of Intangible Assets.

INDEPENDENT AUDITOR'S REPORT (Contd.)

	The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll growth rates etc. The determination of the recoverable amount of the toll collection right involves significant judgement due to inherent uncertainty in the assumptions of the recoverable amount of these rights. Accordingly, the evaluation of impairment of toll collection rights has been determined a key audit matter. Refer note 5(ii) to the Consolidated Financial Statements.	• Verified the accuracy of the valuation methodology used in determining the recoverable amount. Further, evaluated the objectivity, independence and competence of specialists involved; • Verified the assumptions used for the major components of the cash flow forecasts, discount rates, cost of capital, etc.; • Assessed the key assumptions of independent valuation obtained by the Company on toll collection rights. • Evaluated the suitability of inputs and assumptions used in cash flow forecasts by comparing the potential changes to previous year or actual performance; • Performed sensitivity analysis of key assumptions used in valuation; and • Checked the arithmetical accuracy of the valuation model.

Information Other than the Consolidated 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 Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 ventures and joint operation 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 ventures and joint operation 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 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 ventures and joint operation 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 ventures and joint operation are responsible for overseeing the financial reporting process of each company.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 ventures and joint operation 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 ventures and joint operation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 5 branches and 8 unincorporated joint ventures and 1 joint operation, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,609.61 Crores as at 31 March, 2022, total revenues (before consolidation adjustments) of ₹ 1,439.59 Crores and net cash inflows (before consolidation adjustments) amounting to ₹ 12.11 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by branch auditors and 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 branches, unincorporated joint ventures and 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 branches, unincorporated joint venture and joint operation is based solely on the reports of the branch auditors and other auditors.

(b) We did not audit the financial statements of 19 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 2,733.65 Crore as at 31 March, 2022, total revenues (before consolidation adjustments) of ₹ 1,466.13 Crore and net cash inflows (before consolidation adjustments) amounting to ₹ 122.17 Crore 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 loss (and other comprehensive loss) of ₹ 19.89 Crore for the year ended 31 March, 2022, 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 branches and 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 branch auditors and other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such branches and 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 Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such branches and subsidiaries located outside India is based on the reports of branch auditors and other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(c) The financial statements of 4 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 651.48 Crores as at 31 March, 2022, total revenues (before consolidation adjustments) of ₹ 815.20 Crores and net cash inflows (before consolidation adjustments) amounting to ₹ 14.68 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 auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ NIL for the year ended 31 March, 2022, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements 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 ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is

INDEPENDENT AUDITOR'S REPORT (Contd.)

not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors and other auditors and 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, joint ventures and joint operation 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 books and the reports of the other auditors.

   c) The reports on the accounts of the branch offices of the Subsidiary Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

   d) 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.

   e) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   f) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   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 companies 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 Auditor's) 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 ventures and joint operation, as noted in the "Other Matters" paragraph:

   a) The consolidated financial statements disclose the impact of pending litigations as at 31 March, 2022 on the consolidated financial position of the Group, its joint ventures and joint operation. 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, its joint ventures and joint operation.

   c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture

INDEPENDENT AUDITOR'S REPORT (Contd.)

companies incorporated in India during the year ended 31 March, 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 or its subsidiary companies, associate companies and joint venture companies incorporated in India to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies, associate companies and joint venture companies and joint operation companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies and joint venture companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies and joint venture companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies and joint venture companies incorporated in India is in compliance with Section 123 of the Act.

(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 and joint venture companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and joint venture 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 joint venture 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

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 22105317AIZLML8495

Mumbai
14 May, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended 31 March, 2022, we report the following:

(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, has 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 Ventures	Clause number of the CARO report which is Adverse remarks
1	Kurukshetra Expressway Private Limited	U45400HR2010PTC040303	Joint venture	Clause (ix) (a) Clause (xvii) Clause (xix)
2	Wainganga Expressway Private Limited	U45203MH2011PTC264642	Subsidiary	Clause (ix)(a)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W / W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 22105317AIZLML8495

Mumbai
14 May, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

on the consolidated financial statements of Kalpataru Power Transmission Limited for the year ended 31 March, 2022

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 Companies Act, 2013

(Referred to in paragraph A. (f) 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 the Company as of and for the year ended 31 March, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Kalpataru Power Transmission Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March, 2022, based on the internal financial controls with reference to consolidated 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 Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the 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 Companies Act, 2013 (hereinafter referred to as the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 relevant subsidiary companies and joint venture companies 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 consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

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 consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 control with reference to consolidated financial statements in so far as it relates to 10 subsidiary companies, 1 joint venture company and 8 unincorporated joint ventures, which are companies incorporated in India and 5 overseas branches, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W / W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 22105317AIZLML8495

Mumbai
14 May, 2022

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2022

(₹ in Crores)

Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	5(i)	1,626.61	1,622.03
(b) Capital Work in Progress		19.91	29.49
(c) Right of Use Assets	44	133.70	109.79
(d) Investment Property	51	0.82	0.82
(e) Goodwill	47	184.21	114.76
(f) Other Intangible Assets	5(ii)	1,613.23	1,624.94
(g) Intangible Assets Under Development		4.72	4.54
(h) Financial Assets			
(i) Investments	6	1.49	1.13
(ii) Trade Receivables	7(i)	215.17	187.85
(iii) Others	9(i)	160.50	132.06
(i) Deferred Tax Assets (net)	10	198.02	129.94
(j) Non-Current Tax Assets (net)	15(i)	7.18	3.17
(k) Other Non-Current Assets	11(i)	133.54	72.39
		4,299.10	**4,032.91**
Current Assets			
(a) Inventories	12	1,096.03	1,071.08
(b) Financial Assets			
(i) Investments	6.2	3.20	-
(ii) Trade Receivables	7(ii)	4,577.42	5,016.82
(iii) Cash and Cash Equivalents	13	1,061.76	537.53
(iv) Bank Balances Other than (iii) above	14	132.26	54.33
(v) Loans	8(i)	151.34	383.31
(vi) Others	9(ii)	271.75	199.63
(c) Current Tax Assets (net)	15(ii)	122.20	67.06
(d) Other Current Assets	11(ii)	4,979.58	3,615.53
		12,395.54	**10,945.29**
Asset classified as held for sale	6.3	516.87	375.33
TOTAL ASSETS		**17,211.51**	**15,353.53**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	29.78	29.78
(b) Other Equity		4,248.79	3,708.72
Equity Attributable to Owners of the Company		**4,278.57**	**3,738.50**
(c) Non-Controlling Interests	17	138.90	120.44
		4,417.47	**3,858.94**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18(i)	1,553.45	1,607.12
(ia) Lease Liabilities	44	74.31	63.81
(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		325.72	338.20
(iii) Other Financial Liabilities	20(i)	444.60	452.61
(b) Provisions	21 (i)	92.65	127.82
(c) Deferred Tax Liabilities (net)	10	95.71	32.51
(d) Other Non-Current Liabilities	22(i)	673.77	529.79
		3,260.21	**3,151.86**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18(ii)	2,155.49	1,546.13
(ia) Lease Liabilities	44	54.53	42.47
(ii) Trade Payables	19(ii)		
(a) total outstanding dues of micro enterprises and small enterprises		159.09	175.24
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,094.24	3,563.90
(iii) Other Financial Liabilities	20(ii)	699.44	590.80
(b) Other Current Liabilities	22(ii)	1,908.85	1,769.95
(c) Provisions	21 (ii)	433.78	620.60
(d) Current Tax Liabilities (net)	15(iii)	28.41	33.64
		9,533.83	**8,342.73**
TOTAL EQUITY AND LIABILITIES		**17,211.51**	**15,353.53**
Significant Accounting Policies and 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

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 14 May, 2022

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors
Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908
Mumbai : 14 May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Crores)

Particulars	Note	2021-22	2020-21
Revenue from Operations	23	14,777.38	12,949.44
Other Income	24	88.92	67.02
TOTAL INCOME		**14,866.30**	**13,016.46**
EXPENSES			
Cost of Materials Consumed	25	6,421.34	4,745.01
Changes in Inventories of Finished goods and Work in Progress	26	24.66	13.90
Erection, Sub-Contracting and Other Project Expenses	41	4,693.16	4,598.01
Employee Benefits Expenses	27	1,299.08	1,041.36
Finance Costs	28	396.33	435.73
Depreciation and Amortisation Expenses	5 & 44	350.78	373.45
Expected credit losses provision for loans and advances given to JV	32	95.26	-
Other Expenses	29	1,054.32	1,041.18
TOTAL EXPENSES		**14,334.93**	**12,248.64**
Profit Before share of profit / (loss) of Joint venture and Exceptional Item		**531.37**	**767.82**
Share of Profit / (Loss) from Joint Venture		(19.89)	(32.21)
Profit Before Exceptional Item and tax		**511.48**	**735.61**
Exceptional items - Gain / (loss) (net)	55	184.93	209.64
Profit Before Tax		**696.41**	**945.25**
Tax Expenses			
Current Tax		191.59	303.24
Deferred Tax		(30.24)	(20.03)
Profit for the year		**535.06**	**662.04**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Loss on Defined Plan Liability		0.71	0.96
Income tax on Actuarial Gain / (Loss)		(0.18)	(0.26)
		0.53	0.70
Items that will be reclassified subsequently to Profit or Loss			
Exchange difference in translating foreign operations		36.13	(47.33)
Gain / (Loss) on hedging instruments		19.14	57.22
Income tax on above items		(11.88)	(1.00)
		43.39	8.89
Total Other Comprehensive Income		43.92	9.59
Total Comprehensive Income for the year		**578.98**	**671.63**
Profit for the year attributable to			
Owners of the Company		540.30	671.02
Non-controlling interests		(5.24)	(8.98)
Profit for the Year		**535.06**	**662.04**
Total Other Comprehensive Income attributable to			
Owners of the Company		34.22	13.13
Non-controlling interests		9.70	(3.54)
Total Other Comprehensive Income for the Year		**43.92**	**9.59**
Total Comprehensive Income for the year attributable to			
Owners of the Company		574.52	684.15
Non-controlling interests		4.46	(12.52)
Total Comprehensive Income for the year		**578.98**	**671.63**
Earnings per Share (EPS) of ₹ 2 each			
Basic and Diluted (₹)	37	36.28	44.25
Significant Accounting Policies and 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

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 14 May, 2022

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors
Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908
Mumbai : 14 May, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2022

A : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	Amount
Balance as at 01 April, 2020	30.94
Shares Extinguished due to buyback (refer note 16.4)	1.16
Balance as at 31 March, 2021	**29.78**
Balance as at 31 March, 2022	**29.78**

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	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	Actuarial Loss on Defined Plan Liability			
Balance as at 01 April, 2020	**107.88**	**868.32**	**431.27**	**0.26**	**-**	**0.76**	**1,943.35**	**(22.50)**	**(0.54)**	**(1.32)**	**3,327.48**	**136.75**	**3,464.23**
Profit for the year 2020-21	-	-	-	-	-	-	671.02	-	-	-	671.02	(8.98)	662.04
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	42.82	(30.13)	0.44	13.13	(3.54)	9.59
Dividends paid including tax thereon	-	-	-	-	-	-	(127.20)	-	-	-	(127.20)	(3.79)	(130.99)
Transfer to General Reserve / Reserve Fund from Retained Earnings	-	-	12.25	-	-	0.21	(12.46)	-	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(33.33)	-	33.33	-	-	-	-	-	-	-	-	-	-
Buyback of Equity shares	-	(175.71)	-	-	-	-	-	-	-	-	(175.71)	-	(175.71)
Transfer to Capital Redemption Reserve from Retained Earnings	-	-	-	-	1.16	-	(1.16)	-	-	-	-	-	-
Balance as at 31 March, 2021	**74.55**	**692.61**	**476.85**	**0.26**	**1.16**	**0.97**	**2,473.55**	**20.32**	**(30.67)**	**(0.88)**	**3,708.72**	**120.44**	**3,829.16**
Profit for the year 2021-22	-	-	-	-	-	-	540.30	-	-	-	540.30	(5.24)	535.06
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	11.63	22.10	0.49	34.22	9.70	43.92
Dividends paid	-	-	-	-	-	-	(34.45)	-	-	-	(34.45)	(3.79)	(38.24)
Transfer to General Reserve / Reserve Fund from Retained Earnings	-	-	10.00	-	-	0.20	(10.20)	-	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(34.87)	-	34.87	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	8.43	8.43
Non-controlling interest changes during the year	-	-	-	-	-	-	-	-	-	-	-	9.36	9.36
Balance as at 31 March, 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**

(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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Contd.)
FOR THE YEAR ENDED 31 MARCH, 2022

(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) Reserve fund created on net profit in accordance with the section 45-IC of the Reserve Bank of India Act, 1934.

Also refer Significant Accounting Policies and 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

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 14 May, 2022

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors
Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908
Mumbai : 14 May, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Crores)

Particulars	2021-22	2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	**535.06**	**662.04**
Adjustments for :		
Tax Expenses	161.35	283.21
Share of Loss of Joint Venture	19.89	32.21
Depreciation and Amortisation Expenses	350.78	373.45
Finance Costs	396.33	435.73
Impairment loss on property plant and equipments	37.71	-
Gain on sale of subsidiary and joint venture (net)	(262.41)	(209.64)
Dividend Income	(0.10)	(16.32)
Interest Income	(35.28)	(30.13)
Gain on disposal of Property, Plant and Equipments (net)	(18.61)	(8.50)
Bad Debt written off	0.25	8.74
Liabilities Written Back	(21.67)	(4.40)
Allowance for Expected Credit Losses	39.26	26.77
Expected credit losses provision for loans given to JV and others	95.26	-
Impairment loss on asset held for sale	0.68	0.86
Unrealised Foreign Exchange (Gain) / Loss (net)	(29.27)	50.78
Net Gain arising on financial assets	(0.30)	(0.27)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1,268.93**	**1,604.53**
Adjustments for :		
Trade and other Receivables	(950.18)	(615.85)
Inventories	13.50	137.47
Trade, other payables and provisions	644.87	51.10
CASH GENERATED FROM OPERATIONS	977.12	1,177.25
Income Tax Paid	(263.46)	(246.25)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**713.66**	**931.00**
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)	(308.10)	(261.15)
Proceeds from disposal of Property, Plant and Equipment	46.68	26.41
Proceeds from sale of subsidiary and joint venture (net)	156.71	354.66
Investments in / Proceeds from sale Mutual Funds (net)	(3.26)	0.50
Loans (given to) / received back from Joint Ventures (net)	(17.43)	(41.98)
Loans (given to) / received back from others	22.26	(108.59)
Investment in Joint Venture	-	(1.78)
Interest received	35.28	32.08
Dividend Received	0.10	16.32
Payment for acquisition of subsidiary	(62.24)	-
Deposits with Banks (net)	(125.02)	(8.72)
CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(255.02)**	**7.75**

CONSOLIDATED STATEMENT OF CASH FLOWS (Contd.)
FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Crores)

Particulars	2021-22	2020-21
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Buyback of Equity shares (including transaction cost)	-	(176.87)
Proceeds from Issue of shares to Minority Shareholders	8.00	-
Proceeds from Current / Non Current Borrowings	479.97	484.94
Proceeds from Issue of Non Convertible Debentures	200.00	-
Redemption of Non Convertible Debentures	(233.33)	(133.33)
Repayment of Current / Non Current Borrowings	(313.15)	(226.25)
Net increase / (decrease) in short-term borrowings	380.11	(236.80)
Payment of lease liability	(53.02)	(44.49)
Finance Costs Paid	(405.35)	(432.89)
Dividend Paid including tax thereon	(22.34)	(126.57)
Dividend Paid to Minority Shareholders	(15.90)	(4.42)
CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**24.99**	**(896.68)**
D. Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	-	0.74
E. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**483.63**	**42.81**
F. Cash and Cash Equivalents acquired in business combination	40.60	-
G. Reduction in cash and cash equivalents on loss of control of subsidiary	-	(14.06)
H. Opening Cash and Cash Equivalents	**537.53**	**508.78**
I. Closing Cash and Cash Equivalents (E+F+G+H)	**1,061.76**	**537.53**

NOTES :

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Cash and Cash Equivalents at the end of the year comprises:		
(a) Cash on hand	2.41	2.01
(b) Cheques on hand	0.02	-
(c) Balance with Banks		
(i) In current accounts	995.68	450.58
(ii) In fixed deposit accounts	63.65	84.94
Cash and Cash Equivalents as per statement of cash flows	**1,061.76**	**537.53**
(ii) Reconciliation of liabilities arising from financing activities:		

Particulars	As at 01 April, 2021	Cash Flow	Non-Cash Changes	As at 31 March, 2022
Borrowings	3,153.25	513.60	42.09	3,708.94

(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 Significant Accounting Policies and 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

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 14 May, 2022

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors
Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908
Mumbai : 14 May, 2022

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2022

1. CORPORATE INFORMATION

Kalpataru Power Transmission Limited (referred to as "The Company") is a global EPC player with diversified interest in power transmission and distribution, civil construction, railway track laying and electrification, oil & 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 14 May, 2022.

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 unrealised 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 recognised 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

(v) Interest in Joint Venture Entities are incorporated in these consolidated financial statements using the 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. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Useful lives of Property, Plant and Equipment

The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation expense for current and future periods. Policy for the same has been explained under Note 4(Q).

Impairment of Investments

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 4(G).

4. SIGNIFICANT ACCOUNTING POLICIES

A. Revenue Recognition

(i) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, time value of money and price variations / escalation, 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 recognised in the 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.

(ii) Revenue from other contracts

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services are recognised when services are rendered.

(iii) Service concession arrangement

Concession arrangements are recognised 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;
- 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 recognised in assets of the operator as property, plant and equipment but in financial assets ("financial asset model") and / or intangible assets

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

("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 recognised 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.

With respect to the services provided to the lessees including Common Area Maintenance (CAM) services (Such as housekeeping, security services, etc) as part of the lease agreements entered by the Group, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Therefore, the Group concluded that the services to lessees represent a series of daily services that are individually satisfied over time, using a time elapsed measure of progress, because lessees simultaneously receive and consume the benefits provided by the Group.

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) Operation and maintenance Income

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e. input method on a straight line basis.

(vii) Others

Revenue from Bio Mass division is recognised on supply of electricity generated to the customer.

Dividend are recognised when right to receive payment is established. Interest income is recognised on time proportion basis.

Export benefits are accounted as revenue on accrual basis as and when export of goods take place.

Transmission Income is accounted on accrual basis for the period of operation of transmission system based on the Transmission service agreement (TSA) and Revenue sharing agreement (RSA) signed with the Long Term Transmission Customers & Central Transmission Utility.

B. Onerous contract

Present obligations arising under onerous contracts are recognised 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

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

(i) In case of long-term contracts executed by the Holding Company, Operating Cycle covers the duration of the specific project / contract including the defect liability period, wherever applicable and extend up to the realisation of receivables (including retention monies) within the agreed credit period.

(ii) Assets and Liabilities other than those relating to long-term contracts executed by the Holding Company are classified as current if it is expected to realise or settle within 12 months after the balance sheet date.

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 recognises 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 recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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

Transactions in foreign currencies are recognised at rate of exchange prevailing for the month on the dates of the transactions.

Foreign currency monetary assets and liabilities, remaining unsettled at reporting date are translated at the exchange rate prevailing at the end of the year and differences are recognised in statement of Profit and Loss.

The results and financial position of foreign operations and foreign subsidiaries that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of reporting
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference for the period are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in the statement of changes in equity.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

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

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed for each taxable entity in accordance with the tax rules applicable in respective tax jurisdictions.

Deferred income taxes

Deferred tax is recognised 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 recognised 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.

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.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

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 realisable 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

Gratuity liability is provided under a defined benefit plan and 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, taking effect of actuarial gains and losses which is recognised 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

Provision for compensated absences is made on actuarial valuation as at the Balance Sheet date.

d) Short-term employee benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss for the year in which the related service is rendered.

J. Non-current assets held for sale

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.

Assets and Liabilities related to 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 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

K. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

Interest Income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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 recognised 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 recognised 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 recognised 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 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 a group 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.

Transactions with the Joint operation by the Group are recognised in the consolidated financial statements only to the extent of other parties' interests in the joint 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.

Classification:

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Initial recognition and measurement

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) 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.

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial asset 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 fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the consolidated 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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset.

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 recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

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. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

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 derecognised and the consideration paid and payable is recognised 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.

Such derivatives financial instruments are initially recognised at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit or loss immediately

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

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 recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

P. Property, Plant and Equipment & Intangible Assets

Property, Plant and Equipment are stated at cost of acquisition / construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortisation and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to fixed assets till assets are put to use, are capitalised.

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	:	10% - 25%
Furniture & Fixtures and Office Equipment	:	10 % - 33%
Computers	:	10% - 50%
Vehicles	:	15% - 38%
Building	:	2% - 7%

c) Depreciation on Plant & Machinery and Shuttering Materials of a subsidiary is provided taking useful life of 10 years and 3 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 amortised over a period of three to five years on straight line basis.

R. Impairment

a) Financial asset

Group applies, as per Ind AS 109, expected credit loss model for recognising impairment loss on trade receivables, other contractual rights to receive cash or other financial asset.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount.

Intangible assets with indefinite life are tested for impairment at every period end. Impairment is recognised, 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 there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised 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. The Ministry of Corporate Affairs (MCA), on 23 March, 2022 notified amendments to existing Ind AS through Companies (Indian Accounting Standards) Amendment Rule, 2022. The new standard is effective for accounting periods beginning on or after 1 April, 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

1. Ind AS 16 Property, Plant and Equipment – For items produced during testing / trail phase, clarification added that revenue generated out of the same shall not be recognised in SOPL and considered as part of cost of PPE.
2. Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
3. Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
4. Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary / associate / JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary / associate / JV can be measured based Consolidated Financial Statements.
5. Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
6. Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The Company is evaluating the impact of the amendments on the financial statement.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

5. PROPERTY, PLANT AND EQUIPMENTS AND OTHER INTANGIBLE ASSETS

Financial year 2021-2022

(₹ in Crores)

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK
	As at 01 April, 2021	Additions	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31 March, 2022	As at 01 April, 2021	For the Year	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31 March, 2022	As at 31 March, 2022
(i) Property, Plant and Equipments													
Leasehold Land	35.82	-	-	-	-	35.82	-	-	-	-	-	-	35.82
Freehold Land	145.79	-	10.90	-	-	134.89	6.37	-	-	-	-	6.37	128.52
Buildings	711.41	58.58	80.30	14.25	2.13	706.07	151.73	80.91	58.64	0.30	(0.12)	174.18	531.89
Plant and Equipment	1,376.65	191.97	56.17	12.03	(6.25)	1,518.23	599.58	134.86	39.40	4.20	(3.74)	695.50	822.73
Electrical Installation	15.48	0.62	0.19	-	-	15.91	6.56	1.30	0.16	-	0.01	7.71	8.20
Furniture and Fixtures	34.42	0.79	5.65	0.49	0.06	30.11	19.67	2.85	4.29	0.39	0.05	18.67	11.44
Office Equipment	73.50	12.97	2.63	0.63	(0.16)	84.31	50.78	11.13	2.36	0.31	(0.19)	59.67	24.64
Vehicles	131.66	17.81	16.80	12.18	0.25	145.10	68.01	20.60	13.26	5.61	0.77	81.73	63.37
Total (i)	**2,524.73**	**282.74**	**172.64**	**39.58**	**(3.97)**	**2,670.44**	**902.70**	**251.65**	**118.11**	**10.81**	**(3.22)**	**1,043.83**	**1,626.61**
(ii) Other Intangible Assets													
Toll Collection Rights	1,748.56	-	-	-	-	1,748.56	202.12	54.89	-	-	-	257.01	1,491.55
Copyright and Trade Mark	22.49	-	-	13.05	1.80	37.34	0.10	0.11	-	-	(0.01)	0.20	37.14
Customer relationship	55.24	-	-	29.69	3.91	88.84	10.62	16.77	-	-	0.92	28.31	60.53
Software (Other than internally generated)	40.55	17.79	0.84	0.18	0.02	57.70	29.06	7.17	0.80	0.17	0.02	35.62	22.08
Non-compete	-	-	-	1.99	0.41	2.40	-	0.41	-	-	0.06	0.47	1.93
Total (ii)	**1,866.84**	**17.79**	**0.84**	**44.91**	**6.14**	**1,934.84**	**241.90**	**79.35**	**0.80**	**0.17**	**0.99**	**321.61**	**1,613.23**
Total (i) + (ii)	**4,391.57**	**300.53**	**173.48**	**84.49**	**2.17**	**4,605.28**	**1,144.60**	**331.00**	**118.91**	**10.98**	**(2.23)**	**1,365.44**	**3,239.84**

Financial Year 2020-21

(₹ in Crores)

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK
	As at 01 April, 2020	Additions	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31 March, 2021	As at 01 April, 2020	For the Year	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31 March, 2021	As at 31 March, 2021
(i) Property, Plant an Equipments													
Leasehold Land	35.82	-	-	-	-	35.82	-	-	-	-	-	-	35.82
Freehold Land	148.20	-	2.44	-	0.03	145.79	6.37	-	-	-	-	6.37	139.42
Buildings	619.44	98.00	6.21	-	0.18	711.41	95.98	56.48	0.95	-	0.22	151.73	559.68
Plant and Equipment	1,254.56	178.83	45.23	-	(11.51)	1,376.65	507.13	135.82	36.71	-	(6.66)	599.58	777.07
Electrical Installation	12.93	2.73	0.18	-	-	15.48	5.44	1.24	0.12	-	-	6.56	8.92
Furniture and Fixtures	34.47	0.49	0.45	-	(0.09)	34.42	16.86	3.24	0.36	-	(0.07)	19.67	14.75
Office Equipment	68.06	8.56	2.80	-	(0.32)	73.50	42.44	11.10	2.56	-	(0.20)	50.78	22.72
Vehicles	132.65	16.83	12.50	-	(5.32)	131.66	60.82	19.06	8.45	-	(3.42)	68.01	63.65
Total (i)	**2,306.13**	**305.44**	**69.81**	**-**	**(17.03)**	**2,524.73**	**735.04**	**226.94**	**49.15**	**-**	**(10.13)**	**902.70**	**1,622.03**
(ii) Other Intangible Assets													
Toll Collection Rights	1,748.56	-	-	-	-	1,748.56	164.06	38.06	-	-	-	202.12	1,546.44
Copyright and Trade Mark	19.89	0.55	-	-	2.05	22.49	0.10	-	-	-	-	0.10	22.39
Customer relationship	50.07	-	-	-	5.17	55.24	4.59	5.52	-	-	0.51	10.62	44.62
Software (Other than internally generated)	39.89	0.62	-	-	0.04	40.55	23.14	5.89	-	-	0.03	29.06	11.49
Total (ii)	**1,858.41**	**1.17**	**-**	**-**	**7.26**	**1,866.84**	**191.89**	**49.47**	**-**	**-**	**0.54**	**241.90**	**1,624.94**
Total (i) + (ii)	**4,164.54**	**306.61**	**69.81**	**-**	**(9.77)**	**4,391.57**	**926.93**	**276.41**	**49.15**	**-**	**(9.59)**	**1,144.60**	**3,246.97**

Notes :

(a) Refer note 33 for security created on property plant & equipment and other intangible assets.

(b) Deductions / adjustments for the year ended 31 March, 2022 includes assets reclassified to assets held for sale.

(c) Depreciation pertaining to assets held for sale is ₹ Nil Crores (Previous year ₹ 48.67 Crores).

(d) Depreciation / Amortisation includes impairment on plant and machineries, building and Toll Collection Rights amounting to ₹ 18.32 Crores (Previous year ₹ Nil), ₹ 3.96 Crores (Previous year ₹ Nil) and ₹ 15.43 Crores (Previous year ₹ 0.66 Crores) respectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

6. INVESTMENTS -NON CURRENT

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
A. Investments - Carried at cost						
(a) In Equity Instruments of Joint Venture, Unquoted,						
Kurukshetra Expressway Private Limited	INR	10	5,16,82,990	5,16,82,990	-	-
Kohima-Mariani Transmission Limited [refer Note 6.1 (i)]	INR	10	-	5,42,56,353		
Total investment carried at cost					-	-
B. Investment - Carried at fair value through profit or loss (FVTPL)						
(i) Quoted,						
(a) In Equity instruments						
Power Grid Corporation of India Limited	INR	10	64,488	48,366	1.40	1.04
(ii) Unquoted,						
In Equity instruments						
Alipurduar Transmission Limited [refer Note 6.1 (i) and (ii)]	INR	10	2,83,71,824	2,83,71,824	-	-
Kohima-Mariani Transmission Limited [refer Note 6.1 (i) and (iii)]	INR	10	3,73,92,893	-	-	-
Agri Warehousing Service Providers (INDIA) Association	INR	10	90,000	90,000	0.09	0.09
Total investment carried at fair value through profit or loss					**1.49**	**1.13**
Total					**1.49**	**1.13**
Aggregate carrying amount of Quoted Investments					1.40	1.04
Market Value of Quoted Investments					1.40	1.04
Aggregate amount of Unquoted Investments					0.09	0.09

Note:

6.1 (i) 2,83,71,824 (Previous Year - 2,83,71,824) Equity shares of Alipurduar Transmission Limited (ATL) and 3,73,92,893 (Previous Year - 2,76,70,740) shares of Kohima-Mariani Transmission Limited are pledged.

(ii) Alipurduar Transmission Limited ceased to be a subsidiary of the Company w.e.f 25 November, 2020 in accordance with IndAS 110 "Consolidated Financial Statements". However, based on Company's Equity stake, it continues to be a subsidiary in terms of section 2(87) of the Companies Act, 2013.

(iii) Kohima-Mariani Transmisssion Limited ceased to be Joint Venture of the Company w.e.f 20 December, 2021 in accordance with IndAS 28 "Investments in Associates and Joint Ventures". However, based on company's equity stake it is subsidiary in terms of section 2 (87) of the Companies Act, 2013.

6.2 INVESTMENTS-CURRENT

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Investment- carried at fair value through profit or loss (FVTPL)						
Mutual Fund						
HDFC Liquid Fund - Growth	INR	4,149	7,713	-	3.20	-
					3.20	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

6.3 Assets classified as held for sale

(₹ in Crores)

Particulars	Amount	
	As at 31 March, 2022	As at 31 March, 2021
In Equity Instruments [refer Note 6.3 (i) and (ii)]	489.57	370.06
Property, Plant and Equipment [refer Note 6.3 (iii)]	27.30	5.27
Total	**516.87**	**375.33**

Assets held for sale :

(i) During the previous year, 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 26 November, 2020 and balance 51% stake will be transferred after obtaining requisite approvals. Investment in Equity Instruments of Subsidiaries amounting to ₹ 187.11 Crores (Previous year ₹ 180.18 Crores) represents fair value of retained 51% 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 3 July, 2019 ("the Agreement") with Apraava Energy Private Limited (formerly known as CLP India Private Limited – "the Buyer") to sell their respective equity stake in KMTL. Pursuant to the Agreement, the Company has sold 23% stake and transfer the control of KMTL to the Buyer on 20 December, 2021 and balance 51% stake will be transferred after obtaining requisite approvals. Equity Instrument amounting to ₹ 302.46 Crores represents fair value of retained 51% equity stake in KMTL. During previous year, investment amounting to ₹ 189.88 Crores represents cost of equity instruments in KMTL.

(iii) One of the Subsidiary Company has classified a parcel of freehold land and certain property, plant and equipments, under "held for sale", as it intends to dispose the same. The Subsidiary has recognised impairment loss of ₹ 22.95 Crores.

7. TRADE RECEIVABLES*

(Unsecured, Considered good)

(₹ in Crores)

Particulars		As at 31 March, 2022	As at 31 March, 2021
(i)	**Non Current**	219.32	197.56
	Less : Allowance for expected credit losses	(4.15)	(9.71)
	TOTAL	**215.17**	**187.85**
(ii)	**Current**	4,747.84	5,141.33
	Less : Allowance for expected credit losses	(170.42)	(124.51)
	TOTAL	**4,577.42**	**5,016.82**

*Refer Note 32 for Trade receivables ageing

8. LOANS

(Unsecured Considered good, unless otherwise stated)

(₹ in Crores)

Particulars		As at 31 March, 2022	As at 31 March, 2021
(i)	**Current**		
	Joint Venture Companies [JV] (refer note 40)	298.87	275.58
	Others*	159.09	187.20
	Less : Expected credit losses for loans to JV and others (refer note 32)	(306.62)	(79.47)
	TOTAL	**151.34**	**383.31**

* Secured ₹ 7.85 Crores (Previous year ₹ 22.61 Crores)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

9. OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Non Current		
Fixed Deposit with Banks*	65.39	34.74
Security Deposits	94.07	88.88
Interest accrued on Fixed Deposit	1.04	0.61
Subsidy Deposit	-	7.81
Others	-	0.02
TOTAL	**160.50**	**132.06**
* Includes ₹ 65.24 Crores (Previous year ₹ 34.67 Crores) held as margin money and towards other commitments.		
(ii) Current		
Fixed Deposit with Banks **	58.46	42.02
Accrued Income	27.01	27.17
Security Deposits	87.55	76.95
Subsidy Deposit ^	5.76	2.75
Others #	92.97	50.74
TOTAL	**271.75**	**199.63**

** Includes ₹ 51.45 Crores (Previous year ₹ 38.70 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. The Special Civil Application has been allowed by the Hon'ble High Court and NABARD has been directed to release final subsidy along with an interest of 6% p.a.

Others mainly include Mark to market on derivative contracts and other receivables from customers.

10. DEFERRED TAX ASSETS (NET) / DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	As at 01 April, 2021	Recognised in profit or loss	Recognised in other comprehensive income	Acquired under business combination	Others	As at 31 March, 2022
Deferred tax (liabilities) / assets in relation to:						
a) Property, Plant and Equipment and on intangible assets	(44.20)	(11.90)	-	(20.79)	0.52	(76.37)
b) Expense deductible / income taxable in different tax accounting period and change in fair value	10.32	(73.99)	(4.51)	0.60	(1.11)	(68.69)
c) Allowance for expected credit losses	55.89	107.40	-	-	-	163.29
d) Carry Forward Tax Losses	52.88	14.85	-	-	-	67.73
e) Change in method of determining revenue	(20.49)	-	-	-	-	(20.49)
f) Other Tax effect	33.97	(6.12)	(0.19)	-	0.12	27.78
SUB-TOTAL	**88.37**	**30.24**	**(4.70)**	**(20.19)**	**(0.47)**	**93.25**
MAT Credit Entitlement	9.06	-	-	-	-	9.06
TOTAL	**97.43**	**30.24**	**(4.70)**	**(20.19)**	**(0.47)**	**102.31**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

10. DEFERRED TAX ASSETS (NET) / DEFERRED TAX LIABILITIES (NET) (Contd.)

(₹ in Crores)

Particulars	As at 1 April, 2020	Recognised in profit or loss*	Recognised in other comprehensive income	Acquired under business combination	Others	As at 31 March, 2021
Deferred tax (liabilities)/assets in relation to:						
a) Property, Plant and Equipment and on intangible assets	(85.97)	42.65	-	-	(0.88)	(44.20)
b) Expense deductible / income taxable in different tax accounting period and change in fair value	(10.83)	26.41	(5.22)	-	(0.04)	10.32
c) Allowance for expected credit losses	50.74	5.15	-	-	-	55.89
d) Carry Forward Tax Losses	90.12	(37.24)	-	-	-	52.88
e) Change in method of determining revenue	(20.49)	-	-	-	-	(20.49)
f) Other Tax effect	55.72	(21.00)	(0.27)	-	(0.48)	33.97
SUB-TOTAL	**79.29**	**15.97**	**(5.49)**	**-**	**(1.40)**	**88.37**
MAT Credit Entitlement	9.06	-	-	-	-	9.06
TOTAL	**88.35**	**15.97**	**(5.49)**	**-**	**(1.40)**	**97.43**

* Includes deferred tax assets of ₹ 4.06 Crores derecognised on sale of subsidiary.

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred tax assets	198.02	129.94
Deferred tax liabilities	(95.71)	(32.51)
Net Deferred Tax Asset	**102.31**	**97.43**

11. OTHER ASSETS

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Non Current		
Capital Advances	72.36	35.74
Prepaid Expenses	33.82	9.14
VAT Credit and WCT Receivable	26.13	26.28
Taxes Paid Under Protest	1.23	1.23
TOTAL	**133.54**	**72.39**
(ii) Current		
Taxes and duties Recoverable	87.54	45.43
VAT Credit and WCT Receivable	120.64	123.94
GST Receivable	498.85	352.73
Export Benefits Receivable	10.94	9.74
Taxes Paid Under Protest	7.27	6.18
Advance to Suppliers	370.65	205.81
Prepaid Expenses	67.38	55.42
Amount Due from Customers under Construction and other Contracts (Contract assets)	3,816.25	2,810.43
Others	0.06	5.85
TOTAL	**4,979.58**	**3,615.53**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

11.1 Amount due from / (to) Customers under Construction Contracts in progress at the end of the reporting period

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Recognised as amount due:		
from Customers under Construction Contract	3,842.95	2,838.22
to Customers under Construction Contract (refer note 22)	(370.28)	(493.11)
Less : Allowance for expected credit losses	(26.70)	(27.79)
	3,445.97	**2,317.32**

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.

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 31 March, 2022 ₹ 1,886.10 Crores (Previous year ₹ 1,800.69 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 ₹ 417.89 Crores (Previous year ₹ 398.39 Crores), that was classified as amount due to customer at the beginning of the year.

11.5 In case of EPC contracts, amount in the range of 10-20% of the contract value is paid as an advance and 10-20% amount released at the end of project and balance amount is paid progressively based on the agreed milestones in the contract.

12. INVENTORIES

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw Materials and Components	203.20	211.76
(including goods in transit ₹ 2.99 Crores) (Previous Year ₹ 3.81 Crores)		
Work-in-progress Tower Parts	33.13	39.56
Finished goods Tower Parts	110.73	131.01
Store, Spares, Construction Materials and Tools	591.00	499.32
Scrap	6.02	3.97
Finished Goods of Real Estate Assets	78.79	133.29
Semi-finished Goods of Real Estate Assets	73.16	51.94
Packing Material & Consumables	-	0.23
TOTAL	**1,096.03**	**1,071.08**

12.1 Refer note 4 (H) for accounting policy related to valuation of inventories

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

13. CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances With Banks		
In Current Accounts	995.68	450.58
In Fixed Deposit	63.65	84.94
(with original maturity of less than 3 months)		
Cheques on hand	0.02	-
Cash on hand	2.41	2.01
TOTAL	**1,061.76**	**537.53**

14. OTHER BALANCES WITH BANKS

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unpaid Dividend Accounts	0.59	0.49
Deposits with original maturity more than 3 months but less than 12 months **	131.67	53.84
TOTAL	**132.26**	**54.33**

** Includes ₹ 126.75 Crores (Previous year ₹ 52.84 Crores) held as margin money and towards other commitments.

15. CURRENT TAX

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Non-Current Tax Assets (net)		
Advance Income Tax and TDS (net of provisions)	7.18	3.17
TOTAL	**7.18**	**3.17**
(ii) Current Tax Assets (net)		
Advance Income Tax and TDS (net of provisions)	122.20	67.06
TOTAL	**122.20**	**67.06**
(iii) Current Tax Liabilities (net)		
Provisions for Tax (net of Advance Income Tax and TDS)	28.41	33.64
TOTAL	**28.41**	**33.64**

16. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
AUTHORISED :		
17,50,00,000 (Previous year 17,50,00,000) Equity Shares of ₹ 2 each	35.00	35.00
TOTAL	**35.00**	**35.00**
ISSUED, SUBSCRIBED and PAID-UP :		
14,89,09,208 (Previous year 14,89,09,208) Equity Shares of ₹ 2 each fully paid up	29.78	29.78
TOTAL	**29.78**	**29.78**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

16.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31 March, 2022		As at 31 March, 2021	
	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
Shares outstanding at the beginning of the year	14,89,09,208	29.78	15,47,15,470	30.94
Less: Shares extinguished on buyback	-	-	58,06,262	1.16
Shares outstanding at the end of the year	14,89,09,208	29.78	14,89,09,208	29.78

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 During pervious year, the Company has bought back 58,06,262 Equity Shares from the open Market through Stock Exchanges (NSE and BSE).

16.5 Shareholding of promoters

Promoter Name	As at 31 March, 2022		As at 31 March, 2021		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Mr. Mofatraj Pukharaj Munot	1,63,43,218	10.98	1,00,05,822	6.72	4.26
Mr. Parag Mofatraj Munot	79,63,615	5.35	79,63,615	5.35	-

16.6 Details of shareholders holding more than 5% shares in the Company.

Name of Shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mofatraj Pukharaj Munot	1,63,43,218	10.98	1,00,05,822	6.72
Mr. Parag Mofatraj Munot	79,63,615	5.35	79,63,615	5.35
Kalpataru Construction Private Limited	2,33,50,000	15.68	2,33,50,000	15.68
K. C. Holdings Private Limited	2,11,42,600	14.20	2,11,42,600	14.20
Kalpataru Properties Private Limited	-	-	1,36,46,196	9.16
HDFC Trustee Company Limited	1,42,73,822	9.59	1,42,73,822	9.59
ICICI Prudential Value Discovery Fund	1,36,83,153	9.19	41,46,165	2.78
SBI Small Cap Fund	1,07,96,419	7.25	22,64,735	1.52

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

17. 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 01 April, 2020	136.22	-	0.53	136.75
Share of total comprehensive Income / (loss) for the year	(11.95)	-	(0.57)	(12.52)
Distribution of dividend	(3.79)	-	-	(3.79)
Balance as at 31 March, 2021	**120.48**	**-**	**(0.04)**	**120.44**
Share of total comprehensive Income / (loss) for the year	15.50	(2.64)	(8.40)	4.46
Acquired under business combination	-	8.43	-	8.43
Shares Issue during the year	-	8.00	-	8.00
Exchange difference		1.36		1.36
Distribution of dividend	(3.79)	-	-	(3.79)
Balance as at 31 March, 2022	**132.19**	**15.15**	**(8.44)**	**138.90**
Proportion of Interest				
As at 31 March, 2022	32.25%	20.00%	35.00%	
As at 31 March, 2021	32.25%	0.00%	35.00%	

17.1 Summarised financial information of major subsidiaries-

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations included in the Group's consolidated financial statement.

(a) JMC Projects (India) Limited

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total Assets	6,159.13	5,534.98
Total Liabilities	5,632.36	5,045.03
Total Equity	**526.77**	**489.95**

(₹ in Crores)

Particulars	2021-22	2021-21
Revenue	5,518.82	3,844.46
Total comprehensive Income / (loss) for the year	48.58	(37.06)
Net cash inflow / (outflow)	(50.13)	120.22

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

18(i) NON CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Non-Current	Current	Non-Current	Current
Secured (at amortised cost)				
Non-Convertible Redeemable Debentures	75.00	45.00	120.00	30.00
Less : Unamortised Transaction Cost of Borrowings	(0.03)	(0.10)	(0.22)	-
Term Loans				
From Banks	764.18	280.81	929.61	300.49
From NBFC	201.94	47.64	249.43	60.32
Other Loans	215.85	273.72	76.41	103.77
Unsecured (at amortised cost)				
Non-Convertible Redeemable Debentures	299.00	233.34	233.34	133.33
Less : Unamortised Transaction Cost of Borrowings	(2.49)	(0.15)	(1.66)	-
Term Loans				
From Banks	-	-	-	22.51
Others	-	0.21	0.21	0.80
Amount disclosed under the head 'Other Current Financial Liabilities' (Refer Note 18(ii))		(880.47)		(651.22)
TOTAL	**1,553.45**	**-**	**1,607.12**	**-**

18.1 Details of Debentures:

(₹ in Crores)

Redemption Profile	As at 31 March, 2022	As at 31 March, 2021	Interest	Date of Allotment
(a) Secured Non-Convertible Redeemable Debentures of one of the Subsidiary Company :				
Series III NCDs redeemable on 28 August, 2023	75.00	75.00	9.95% p.a. payable annually	28 August, 2018
Series II NCDs redeemable on 27 August, 2022	45.00	45.00	9.95% p.a. payable annually	28 August, 2018
Series I NCDs redeemable on 27 August, 2021	-	30.00	9.95% p.a. payable annually	28 August, 2018
Security :				
NCDs secured against 5,916,820 equity shares constituting 26% of the paid up equity capital of one of indirect subsidiary.				
(b) Unsecured Non-Convertible Redeemable Debentures (NCD) :				
NCDs redeemable on 13 December, 2024	24.00	-	9.8% p.a. payable quarterly	15 December, 2021
NCDs redeemable on 14 June, 2024	25.00	-	9.8% p.a. payable quarterly	15 December, 2021
Redeemable at face value in 2 equal annual instalments starting from 12 January, 2024	200.00	-	6.15% p.a. payable annually	12 January, 2022
NCDs redeemable on 15 December, 2023	25.00	-	9.8% p.a. payable quarterly	15 December, 2021
NCDs redeemable on 15 June, 2023	25.00	-	9.8% p.a. payable quarterly	15 December, 2021
NCDs redeemable on 21 October, 2022	100.00	100.00	10.55% p.a. payable quarterly	23 October, 2019
Redeemable at premium on 12 September, 2022 (Yield 9%)	50.00	50.00	Zero	12 September, 2018
Redeemable at premium on 11 March, 2022 (Yield 9%)	-	50.00	Zero	12 September, 2018
Redeemable at face value in 2 equal annual instalments starting from 27 September, 2021	50.00	100.00	8.11% p.a. payable annually	27 September, 2017
Redeemable at face value in 3 equal annual instalments starting from 25 May, 2020	33.34	66.67	8.45% p.a. payable annually	25 May, 2017

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

18.2 Term Loans from Banks, NBFC and Other Loans :

(a) ₹ 405.91 Crores (Previous Year ₹ 466.43 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 31 January, 2028.

(b) ₹ 84.29 Crores (Previous Year ₹ 102.54 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 30 June, 2024.

(c) Term loan amounting to ₹ 256.00 Crores (Previous Year ₹ 291.38 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 31 December, 2026.

(d) Term loan from NBFC amounting to ₹ 12.48 Crores (Previous year ₹ 18.75 Crores) is secured by first pari passu charge on entire movable Property, plant and equipment, excluding assets charged exclusively to the Term Lenders, of one of the subsidiary company. Term loan is repayable in 16 equal quarterly instalments, 31 March, 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(e) Term loan from a bank amounting to ₹ 3.61 Crores (Previous year ₹ 4.11 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending on July 2023 with varying interest rate linked to base rate of bank from time to time.

(f) Term loan from a bank amounting to ₹ Nil (Previous year ₹ 7.95 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending on 30 September, 2021 with varying interest rate linked to base rate of bank from time to time.

(g) ₹ Nil (Previous Year ₹ 8.01 Crores & ₹ 15.62 Crores) is secured by first charge on movable fixed assets, excluding assets charged exclusively to other term lenders, of one of the subsidiary company. Term loan is repayable in balance 18 unequal & 16 equal quarterly installments December 2020 and March 2022, as a date of maturity and interest payable on monthly basis at varying interest rate.

(h) Term loan from a bank amounting to ₹ Nil (Previous year ₹ 0.06 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending on July 2021 with varying interest rate linked to base rate of bank from time to time.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

(i) Term loan from a bank amounting to ₹ 39.88 Crores (Previous year ₹ 80.95 Crores) is secured by first pari passu charge on entire movable Property, plant and equipment, excluding assets charged exclusively to the Term Lenders, of one of the subsidiary company. Term loan is repayable in 16 unequal quarterly instalments to be paid at the end of each financial quarter 31 March, 2023, as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 year MCLR.

(j) ₹ 5.56 Crores (Previous year ₹ 10.48 Crores) is secured by hypothecation of Vehicles / equipments financed through loans and carrying varying interest rate linked to base rate. Loan is repayable in range of 1 to 38 equal monthly instalments along with interest.

(k) ₹ 177.50 Crores (Previous Year ₹ 212.30 Crores) is secured by the assets at warehouses, including land and building, in Rajasthan. Term loans are repayable in balance 12-24 structured installments with varying interest rate linked to base rate of banks.

(l) ₹ 132.50 Crores (Previous Year ₹ 209.00 Crores) carries interest of 7.10% p.a, 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 13 equal quarterly instalments ending on 01 June, 2024.

(m) Term loan from a bank amounting to ₹ 164.40 Crores (Previous Year ₹ 93.51 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in quarterly instalments with maturity dates ranging from June 2022 and ending on March 2026 and with varying interest rate linked to base rate of bank from time to time.

(n) Term loan from NBFC amounting to ₹ 12.44 Crores (Previous Year ₹ 18.75 Crores) is secured by first pari passu charge on entire movable Property, plant and equipment, excluding assets charged exclusively to the Term Lenders, of one of the subsidiary company. Term loan is repayable in 16 equal quarterly instalments, 30 June, 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(o) ₹ 489.57 Crores (Previous Year ₹ 180.18 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.

18(ii) CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Secured (at amortised cost)		
Working Capital Facilities from Banks	1,160.83	894.91
Current maturities of long term debt (Refer Note 18(i))	647.07	494.58
Unsecured (at amortised cost)		
Short Term Loans from Banks	0.25	-
Working Capital Facilities from Banks	113.94	-
Current maturities of long term debt (Refer Note 18(i))	233.40	156.64
TOTAL	**2,155.49**	**1,546.13**

(a) Working Capital Facilities of the holding company of ₹ 722.97 Crores (Previous year ₹ 628.57 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 2% to 10%.

(b) Working capital facilities of one of the subsidiary of ₹ 421.95 Crores (Previous year ₹ 255.84 Crores) are secured in favour of consortium bankers, by way of :

   (a) First charge against hypothecation of stocks, work in progress, stores and spares, trade receivables, book debts, cash and cash equivalents and other current assets.

   (b) Second charge on all movable Property, plant and equipments of the Company.

   (c) First charge on the office premises of the Company.

(c) Working capital facilities of one of the Subsidiary of ₹ 15.92 Crores (Previous year ₹ 10.50 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

19. TRADE PAYABLES *

(₹ in Crores)

Particulars		As at 31 March, 2022	As at 31 March, 2021
(i)	**Non Current**		
	Others	325.72	338.20
	TOTAL	**325.72**	**338.20**
(ii)	**Current**		
	Total outstanding dues of micro enterprises and small enterprises	159.09	175.24
	Acceptances	175.10	195.08
	Others	3,919.14	3,368.82
	TOTAL	**4,253.33**	**3,739.14**

* Refer Note 56(i) for Trade payables ageing

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 31 March, 2022	As at 31 March, 2021
(i)	**Non Current**		
	Security Deposits	4.99	6.75
	Interest accrued but not due on borrowings	-	13.14
	Additional concession fees	410.57	378.70
	Liability for option to purchase Non controlling interest	29.04	54.02
	TOTAL	**444.60**	**452.61**
(ii)	**Current**		
	Interest accrued but not due on borrowings	39.63	34.66
	Interest Accrued and due on borrowings	7.73	8.58
	Unpaid Dividend	0.59	0.49
	Unclaimed matured deposits and interest accrued thereon	0.02	0.03
	Liability for option to purchase Non controlling interest	105.32	-
	Security Deposits	232.96	227.42
	Creditors for capital expenditure	94.54	58.59
	Additional concession fees	62.26	53.83
	Other Payable	156.39	207.20
	TOTAL	**699.44**	**590.80**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

21. PROVISIONS

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Non Current		
Employee benefits (Refer Note 38)	39.84	40.34
Performance Warranties (Refer Note 36)	27.63	34.68
Major maintenance expense (Refer Note 36)	25.18	52.80
TOTAL	**92.65**	**127.82**
(ii) Current		
Employee benefits (Refer Note 38)	11.66	15.08
Performance Warranties (Refer Note 36)	252.86	316.83
Expected Loss on Long Term Contracts (Refer Note 36)	128.68	150.15
Major maintenance expense (Refer Note 36)	14.17	-
Loss of Joint Venture	-	112.01
Others	26.41	26.53
TOTAL	**433.78**	**620.60**

22. OTHER LIABILITIES

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Non Current		
Advance from Customers	616.84	472.76
Deposit from Customers	0.31	0.31
Deferred Income	15.18	15.69
Others	41.44	41.03
TOTAL	**673.77**	**529.79**
(iii) Current		
Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1 & 11.2)	370.28	493.11
Advance from Customers	1,291.56	1,114.04
Statutory Liabilities	244.13	156.88
Deferred Income	0.51	0.50
Others	2.37	5.42
TOTAL	**1,908.85**	**1,769.95**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

23. REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	2021 - 22	2020 - 21
Revenue from Contracts with Customers		
Sale of Products		
Tower Parts & Components	583.16	381.00
Agro Commodities	2.51	0.72
Others	131.58	169.92
Income from EPC Contracts	13,616.17	11,851.09
Income from Services	285.45	439.35
Other Operating Income		
Sale of Scrap	141.98	78.05
Certified Emission Reduction Receipts	1.66	2.02
Export Benefits	13.87	27.25
Others	1.00	0.04
TOTAL	**14,777.38**	**12,949.44**

Revenue as per geographical segment is disclosed in Note 48

24. OTHER INCOME

(₹ in Crores)

Particulars	2021 - 22	2020 - 21
Interest Income		
On financial assets carried at amortised cost		
On Fixed deposits	8.79	7.68
On loans	20.68	15.83
Others	5.81	6.62
Dividend Income		
Dividend from investment measured at FVTPL	0.10	16.32
Other non operating income		
Rent Income	4.71	2.48
Grant Received	0.18	0.51
Insurance Claims	5.26	2.42
Liabilities Written Back	21.67	4.40
Miscellaneous Income	1.90	1.62
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	0.30	0.27
Gain / (Loss) on disposal of property, plant and equipments (net)	18.61	8.50
Other	0.91	0.37
TOTAL	**88.92**	**67.02**

25. COST OF MATERIALS CONSUMED

(₹ in Crores)

Particulars	2021 - 22	2020 - 21
Raw Materials		
Steel	775.84	653.76
Zinc	135.18	117.39
Components & Accessories, etc.	2,435.32	1,970.22
Agricultural Residues	42.32	34.77
Construction Materials	3,031.92	1,968.78
Others	0.76	0.09
TOTAL	**6,421.34**	**4,745.01**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Crores)

Particulars	2021 - 22	2020 - 21
STOCK AT BEGINNING OF THE YEAR		
Finished Goods	131.01	137.36
Semi-finished Goods	39.56	46.29
Scrap	3.97	4.79
	174.54	**188.44**
STOCK AT CLOSE OF THE YEAR		
Finished Goods	110.73	131.01
Semi-finished Goods	33.13	39.56
Scrap	6.02	3.97
	149.88	**174.54**
TOTAL	**24.66**	**13.90**

27. EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	2021-22	2020-21
Salaries, Wages, Bonus	1,087.66	946.00
Contributions to Provident and Other Funds	130.14	72.65
Employees' Welfare Expenses	81.28	22.71
TOTAL	**1,299.08**	**1,041.36**

28. FINANCE COSTS

(₹ in Crores)

Particulars	2021 - 22	2020 - 21
Interest Expenses	384.44	434.43
Other Borrowing Costs	9.33	7.55
Exchange Rate variation	2.56	(6.25)
TOTAL	**396.33**	**435.73**

29. OTHER EXPENSES

(₹ in Crores)

Particulars	2021 - 22	2020 - 21
Job Charges	52.01	70.75
Power and Fuel	27.07	22.67
Repairs and Maintenance:		
Plant and Machinery	5.07	3.19
Buildings	11.88	20.04
Others	4.36	10.90
Freight and Forwarding Expenses	240.71	260.75
Stores, Spares and Tools Consumed	19.73	15.85
Vehicle / Equipment Running and Hire Charges	12.89	6.20
Testing Expenses	1.05	4.84
Pollution Control Expenses	2.16	2.13
Insurance	67.03	64.55
Rent	65.75	66.13

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

29. OTHER EXPENSES (Contd.)

(₹ in Crores)

Particulars	2021 - 22	2020 - 21
Rates, Taxes and Duties	74.89	94.08
Stationery, Printing and Drawing Expenses	9.58	10.83
Telecommunication Expenses	8.33	8.34
Travelling Expenses	73.77	54.14
Legal and Professional Expenses	113.24	90.01
Bank Commission and Charges (including ECGC Premium)	125.66	95.98
Allowance for Expected Credit Losses	39.26	26.77
Impairment loss on asset held for sale	0.68	0.86
Bad Debt Written Off	0.25	8.74
Loss on Material Damaged / Lost / Fire	-	2.23
Loss / (Gain) on Exchange Rate Variation	(62.83)	(12.33)
Sitting Fees and Commission to Non-Executive Directors	6.73	5.97
Corporate Social Responsibility Expenses	9.85	12.77
Carbon Credit Expenses	0.28	0.21
Fair Value changes of Financial Instrument	44.49	-
Miscellaneous Expenses	100.43	94.58
TOTAL	**1,054.32**	**1,041.18**

30. (a) PARTICULARS OF SUBSIDIARIES INCLUDED IN CONSOLIDATION

Name of Subsidiaries	with effect from	Country of Incorporation	% voting power	
			As at 31 March, 2022	As at 31 March, 2021
Subsidiaries Held Directly				
Adeshwar Infrabuild Limited	11 August, 2009	India	100.00%	100.00%
Amber Real Estate Limited	16 May, 2008	India	100.00%	100.00%
Energylink India Limited	30 January, 2007	India	100.00%	100.00%
JMC Projects (India) Limited	06 February, 2007	India	67.75%	67.75%
Shree Shubham Logistics Limited	19 March, 2007	India	100.00%	100.00%
Kalpataru Metfab Private Limited	31 March, 2015	India	100.00%	100.00%
Alipurduar Transmission Limited (upto 25 November, 2020)*	06 January, 2016	India	51.00%	51.00%
Kalpataru Power Transmission (Mauritius) Limited	08 January, 2009	Mauritius	100.00%	100.00%
Kalpataru Power Transmission - USA, Inc	11 September, 2009	USA	100.00%	100.00%
LLC Kalpataru Power Transmission Ukraine	06 November, 2012	Ukraine	100.00%	100.00%
Kalpataru IBN Omairah Company Limited	01 June, 2015	Saudi Arabia	65.00%	65.00%
Kalpataru Power Transmission Sweden AB	28 January, 2019	Sweden	100.00%	100.00%
Kalpataru Power Senegal SARL	10 August, 2020	Senegal	100.00%	100.00%
Kalpataru Power do Brasil Participações Ltda	27 January, 2021	Brazil	100.00%	100.00%
Kalpataru Power Chile SpA	28 February, 2022	Chile	100.00%	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

30. (a) PARTICULARS OF SUBSIDIARIES INCLUDED IN CONSOLIDATION (Contd.)

Name of Subsidiaries	with effect from	Country of Incorporation	% voting power	
			As at 31 March, 2022	As at 31 March, 2021
Subsidiaries Held Indirectly				
Brij Bhoomi Expressway Private Limited	06 December, 2010	India	67.75%	67.75%
JMC Mining and Quarries Limited	06 February, 2007	India	67.75%	67.75%
Saicharan Properties Limited	30 June, 2009	India	100.00%	100.00%
Vindhyachal Expressway Private Limited	16 January, 2012	India	67.75%	67.75%
Wainganga Expressway Private Limited	02 June, 2011	India	67.75%	67.75%
Kalpataru Power DMCC	03 August, 2011	UAE	100.00%	100.00%
Punarvasu Financial Services Private Limited	31 December, 2014	India	100.00%	100.00%
Linjemontage i Grästorp Aktiebolag	29 April, 2019	Sweden	85.00%	85.00%
Linjemontage Service Nordic AB	29 April, 2019	Sweden	85.00%	85.00%
Linjemontage AS	29 April, 2019	Norway	85.00%	85.00%
Fasttel Engenharia S.A.	07 April, 2021	Brazil	51.00%	-
* Refer note 6.1 (ii)				

(b) Particulars of Joint Venture Entities included in Consolidation

Name of Joint Ventures	with effect from	Country of Incorporation	% voting power	
			As at 31 March, 2022	As at 31 March, 2021
Kohima-Mariani Transmission Limited (upto 19 December, 2021)**	02 May, 2018	India	51.00%	74.00%
Kurukshetra Expressway Private Limited	29 March, 2010	India	33.59%	33.59%

** Refer note 6.1 (iii)

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 31 March, 2022	As at 31 March, 2021
Non-current Assets	994.67	1,095.37
Current Assets	5.14	15.97
Non-current Liabilities	975.50	1,166.06
Current Liabilities	290.38	171.24
Net Assets	**(266.07)**	**(225.96)**
The above amounts of Assets and Liabilities include the following:		
Cash and Cash Equivalents	1.85	2.89
Current Financial Liabilities (excluding trade payables and provisions)	287.53	159.83
Non-current Financial Liabilities (excluding trade payables and provisions)	921.98	1,113.45
Contingent Liabilities	45.99	45.99

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

30. (a) PARTICULARS OF SUBSIDIARIES INCLUDED IN CONSOLIDATION (Contd.)

(₹ in Crores)

Particulars	2021-22	2020-21
Revenue	18.25	58.94
Profit / (Loss) for the year	(40.13)	(64.97)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss) for the year	(40.13)	(64.97)
Dividends received from the Joint Ventures during the year	-	-
The above profit / (loss) for the year include the following :		
Depreciation and amortisation expenses	3.16	10.05
Interest income	0.06	0.42
Finance costs	47.72	96.56
Income tax expense (net)	(1.60)	(1.61)

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 31 March, 2022	As at 31 March, 2021
carrying amount of the Group's interest in the Joint Venture*	-	-

* Provision for loss in joint venture in excess of investment has been disclosed under Provisions. Refer Note 32.

31. RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Profit Before Tax	696.41	945.25
Income tax calculated at 25.168% (Previous year 25.168%)	175.27	237.90
Tax effect of adjustment to reconcile reported income tax expenses		
Tax incentives / concessions / disallowance	6.31	(12.49)
Deferred tax not recognised on unused tax losses	(31.77)	24.35
Difference in tax rates and others	11.54	33.45
Income tax expenses recognised in the statement of profit and loss	**161.35**	**283.21**

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 31 March, 2022	As at 31 March, 2021
Debt *	3,711.71	3,155.13
Cash and Cash Equivalents	(1,061.76)	(537.53)
Net debt	**2,649.95**	**2,617.60**
Total Equity	4,417.47	3,858.94
Net debt to equity ratio	**0.60**	**0.68**

* 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 recognised in the financial statements approximate their fair value.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Financial Assets		
Measured at Fair Value through Profit and Loss		
(i) Investments - (Level I)	1.49	1.13
(ii) Investments under held for sale (Level II)	489.57	180.18
Measured at Cost		
(i) Investments	-	189.88
Measured at Amortised Cost		
(i) Trade receivables	4,792.59	5,204.67
(ii) Loans	151.34	383.31
(iii) Cash and cash equivalents	1,061.76	537.53
(iv) Other balances with Bank	132.26	54.33
(v) Others	432.25	331.69
	7,061.26	6,882.72
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	3,708.94	3,153.25
(ii) Trade payables	4,579.05	4,077.34
(iii) Other financial liabilities	1,272.88	1,149.69
	9,560.87	8,380.28

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 minimise 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 31 March, 2022

(₹ in Crores)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	5.18	0.77	4.06	10.01
Trade Receivables	1,226.38	37.16	291.32	1,554.86
Other Financials Assets	28.18	4.56	10.49	43.23
Total Asset	**1,259.74**	**42.49**	**305.87**	**1,608.10**
Borrowings	18.10	-	3.32	21.42
Trade Payables	679.41	31.75	334.87	1,046.03
Other Financial Liabilities	2.45	2.86	11.12	16.43
Total Liabilities	**699.96**	**34.61**	**349.31**	**1,083.88**
Net Assets / (Liabilities)	**559.78**	**7.88**	**(43.44)**	**524.22**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

The following table analyses foreign currency risk from financial instruments as at 31 March, 2021

(₹ in Crores)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	0.15	-	0.87	1.02
Trade Receivables	1,703.38	5.28	253.33	1,961.99
Other Financials Assets	9.29	6.38	2.70	18.37
Total Asset	**1,712.82**	**11.66**	**256.90**	**1,981.38**
Borrowings	120.74	1.75	1.97	124.46
Trade Payables	1,013.42	89.06	231.47	1,333.95
Other Financials Liabilities	16.56	0.84	7.31	24.71
Total Liabilities	**1,150.72**	**91.65**	**240.75**	**1,483.12**
Net Assets / (Liabilities)	**562.10**	**(79.99)**	**16.15**	**498.26**

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 31 March, 2022 and 31 March, 2021, increase / decrease of 5% in the exchange rate between the Indian rupee and USD / Euro would impact group's profit before tax by approximately 0.88% and 1.57% 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 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 a multinational bank, 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 31 March, 2022

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	76.21	USD 2.47	188.00	1.62
Maturing in 3 months to 6 months	76.99	USD 1.42	109.55	1.56
Maturing in 6 months to 9 months	76.69	USD 5.74	440.07	4.54
Maturing in 9 months to 12 months	77.74	USD 2.98	231.86	3.32
Maturing more than 12 months	79.15	USD 13.88	1,098.44	12.89
Total / Average	**78.07**	**USD 26.49**	**2,067.92**	**23.93**
Sell USD Buy SEK				
Maturing less than 3 months	7.84	SEK 6.80	53.35	2.14
Total / Average	**7.84**	**SEK 6.80**	**53.35**	**2.14**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

As at 31 March, 2022 (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	76.96	USD 1.83	141.17	1.75
Maturing in 3 months to 6 months	76.48	USD 2.01	153.35	0.98
Maturing in 6 months to 9 months	79.39	USD 1.98	157.22	3.01
Maturing in 9 months to 12 months	80.12	USD 0.66	52.53	1.21
More than 12 Months	79.64	USD 0.98	78.39	0.02
Total / Average	**78.11**	**USD 7.46**	**582.66**	**6.97**
Sell EUR Buy USD				
Maturing less than 3 months	86.04	EUR 0.15	13.17	0.26
Total / Average	**86.04**	**EUR 0.15**	**13.17**	**0.26**
Buy USD Sell INR				
Maturing less than 3 months	75.77	USD 0.02	1.44	0.00
Maturing in 3 months to 6 months	77.20	USD 1.91	147.62	(0.15)
Maturing in 9 months to 12 months	78.63	USD 0.96	75.75	(0.21)
Total / Average	**77.67**	**USD 2.89**	**224.81**	**(0.36)**
Sell EURO Buy INR				
More than 12 Months	94.23	EUR 0.93	87.63	8.41
Total / Average	**94.23**	**EUR 0.93**	**87.63**	**8.41**

As at 31 March, 2021

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	Marked to Market (MTM) Value
Cashflow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	74.93	USD 0.34	25.14	0.36
Maturing in 3 months to 6 months	75.24	USD 0.25	18.77	0.12
Maturing in 6 months to 9 months	77.40	USD 1.94	150.09	3.73
Maturing in 9 months to 12 months	79.84	USD 1.70	135.72	5.84
Maturing more than 12 Months	79.63	USD 2.89	228.97	1.88
Total / Average	**78.69**	**USD 7.12**	**558.69**	**11.93**
Sell EUR Buy USD				
Maturing less than 12 months	84.21	EUR 0.10	8.42	(0.28)
Total / Average	**84.21**	**EUR 0.10**	**8.42**	**(0.28)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

As at 31 March, 2021 (Contd.)

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	Marked to Market (MTM) Value
Sell USD Buy BRL				
Maturing less than 3 months	12.86	BRL 3.10	39.86	0.55
Total/Average	**12.86**	**BRL 3.10**	**39.86**	**0.55**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	75.53	USD 2.46	185.59	4.44
Maturing in 3 months to 6 months	76.04	USD 2.86	217.46	4.13
Maturing in 6 months to 9 months	76.86	USD 0.30	22.86	0.45
Maturing in 9 months to 12 months	76.07	USD 1.10	83.83	(0.32)
More than 12 Months	78.97	USD 0.02	1.93	0.01
Total/Average	**75.91**	**USD 6.74**	**511.67**	**8.71**
Sell EUR Buy USD				
Maturing less than 3 months	87.36	EUR 0.21	18.70	0.22
Total/Average	**87.36**	**EUR 0.21**	**18.70**	**0.22**
Buy USD Sell INR				
Maturing in 3 months to 6 months	76.11	USD 2.71	206.62	(3.63)
Maturing in 9 months to 12 months	76.58	USD 1.12	85.57	(0.15)
Total / Average	**76.25**	**USD 3.83**	**292.19**	**(3.78)**
Sell EUR Buy INR				
More than 12 Months	93.47	EUR 0.94	87.63	2.18
Total / Average	**93.47**	**EUR 0.94**	**87.63**	**2.18**

Reconciliation of Hedge Reserve

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the year	26.93	(30.29)
Gain / (Loss) recognised in OCI during the year	19.14	57.22
Less: Tax impact on above	11.42	6.61
Less: Non Controlling Interest	2.70	-
Balance at the end of the year (Gross)	46.07	26.93
Balance at the end of the year (Net of Tax)	**31.95**	**20.32**

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.

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 .

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

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.

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	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Not Due	2,760.07	2,746.61	-	-
Less than 6 months	1,016.69	1,504.48	10.00	0.23
From 6 months to 1 year	348.76	480.67	5.18	4.08
From 1 year to 2 years	401.14	288.43	1.79	43.20
From 2 year to 3 years	166.58	62.76	49.06	18.51
Above 3 years*	101.15	111.80	106.74	78.12
	4,794.39	**5,194.75**	**172.77**	**144.14**

*Includes Trade receivable amounting to ₹ 12.85 Crores (Previous year ₹ 13.44 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 movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(₹ in Crores)

Particulars	2021-22	2021-22
	Trade receivable	Contract Assets
Balance as at 01 April, 2021	**134.22**	**27.79**
Impairment loss recognised (net)	40.35	(1.09)
Balance as at 31 March, 2022	**174.57**	**26.70**

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

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

The Group does not perceive any credit risk pertaining to loans given to subsidiaries except on the loan given to Kurukshetra Expressway Private Limited, Joint Venture of one of the Subsidiary Company. During the previous year, as required by Indian Accounting Standard 109 "Financial Instruments", Management had performed an impairment assessment of the recoverable amount based on discounted cash flows, which have been determined by external valuation experts. The determination of the discounted cash flows involves significant management judgement and estimates on the valuation methodology and various

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

assumptions including related to growth rates, discount rates, etc. Further, management believed that the above assessment based on value in use appropriately reflects the recoverable amount of loans. Based on this assessment and the valuation reports obtained from independent valuer, provision for expected credit loss had recognised in the statement of profit and loss of one of the Subsidiary Company amounted to ₹ 79.47 Crores as at 31 March, 2020 on the loans given to its joint venture.

Kurukshetra Expressway Private Limited ("KEPL" or "Concessionaire"), a joint venture (49.57%) of the subsidiary Company, issued a notice of termination of Concession Agreement ("CA") vide letter dated 07 October, 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. During the year, the subsidiary Company had recognised provision towards Expected credit loss of ₹ 48.96 Crores (adjusted for equity loss already recognised) against loans given to KEPL / others. Further, the Promoters of KEPL have, jointly and severally given 'shortfall undertakings' to the Senior Lenders, should there be any shortfall between amounts received from NHAI and that payable to KEPL's lenders, KEPL has received copy of the letter dated 3 February, 2022 sent by 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". Accordingly, in light of the above the subsidiary Company has made further provision for Expected Credit Loss of ₹ 46.30 Crores. The Subsidiary Company has also recognised ₹ 39.77 Crores towards their share (49.57%) being a potential shortfall, if any, which is disclosed as an exceptional item. The subsidiary Company has made above provisions without prejudice to it's 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.

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant liabilities

(₹ in Crores)

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Financial Liabilities						
(i) Trade Payables	4,253.33	325.72	4,579.05	3,739.14	338.20	4,077.34
(ii) Borrowings	2,155.74	1,555.97	3,711.71	1,546.13	1,605.24	3,151.37
(iii) Other financial liabilities	753.97	518.91	1,272.88	633.27	516.42	1,149.69
Total			**9,563.64**			**8,378.40**

Note- 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 31 March, 2022 and 31 March, 2021, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact group's profit before tax by approximately 3.69% and 2.60 % 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 11.83 % for FY 2021-22 and 6.47 % for FY 2020-21.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

Exposure As at 31 March, 2022

(₹ in Crores)

Commodity	Fixed / Variable	Open Exposure	Value at Risk on price variation of 5 %	
			Increase	Decrease
Aluminum	Fixed Price Contracts	766.57	38.33	(38.33)
Zinc	Fixed Price Contracts	203.68	10.18	(10.18)
Steel	Fixed Price Contracts	568.65	28.43	(28.43)
Copper	Fixed Price Contracts	109.00	5.45	(5.45)
Total		**1,647.90**	**82.39**	**(82.39)**

Exposure As at 31 March, 2021

(₹ in Crores)

Commodity	Fixed / Variable	Open Exposure	Value at Risk on price variation of 5 %	
			Increase	Decrease
Aluminum	Fixed Price Contracts	330.58	16.53	(16.53)
Zinc	Fixed Price Contracts	121.80	6.09	(6.09)
Steel	Fixed Price Contracts	636.70	31.84	(31.84)
Copper	Fixed Price Contracts	134.34	6.72	(6.72)
Total		**1,223.42**	**61.18**	**(61.18)**

33. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE GROUP AGAINST BORROWINGS.

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Property, Plant and Equipments (including CWIP)	1,333.65	1,350.66
Intangible Assets	1,491.59	1,546.45
Inventories	906.49	820.32
Financial Assets (Non-current & current)		
Trade Receivables	4,274.00	4,913.87
Loans	50.27	178.61
Cash & Bank Balances	866.21	484.78
Other Balances with Banks	122.57	46.06
Other Assets	1,772.73	1,442.47
Total	**10,817.51**	**10,783.22**

34. CONTINGENT LIABILITIES IN RESPECT OF :

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Bank guarantees	20.96	25.56
(b) Claims against the group not acknowledged as debt	50.99	47.37
(c) Demands by Service Tax / Excise / Income Tax and other tax / revenue authorities, under disputes	213.92	172.87
(d) Show cause notice issued by Service Tax Authorities	25.99	25.99
(e) Disputed Royalty demand under Tamilnadu Minor Mineral Concession Rules in appeal before High Court	0.40	0.40
(f) Guarantees given in respect of performance of contracts of joint ventures and unincorporated joint ventures in which Company is one of the member / holder of substantial equity	1,260.72	769.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

35. CAPITAL & OTHER COMMITMENTS

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Estimated amount of contracts remaining to be executed for tangible capital assets and not provided for (net of advances)	165.62	40.25

36. THE DISCLOSURE AS REGARDS TO PROVISION AS PER IND AS 37 "PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS"

(₹ in Crores)

Particulars	Major Maintenance		Performance Warranties	
	2021-22	2020-21	2021-22	2020-21
Carrying amount at the beginning of the year	52.80	55.55	351.51	325.92
Add: Provision / Expenses during the year (net)	(13.45)	5.42	88.68	48.35
Less : Utilisation / reversal during the year	-	8.17	159.81	22.76
Less : Discounting during the year	-	-	(0.11)	-
Carrying amount at the end of the year	**39.35**	**52.80**	**280.49**	**351.51**

(₹ in Crores)

Particulars	Others		Expected Loss on contracts	
	2021-22	2020-21	2021-22	2020-21
Carrying amount at the beginning of the year	26.47	27.70	150.15	40.52
Add: Provision / Expenses during the year	(0.08)	(1.23)	85.34	154.12
Less : Utilisation / Reversal of Provisions	-	-	106.81	44.49
Carrying amount at the end of the year	**26.39**	**26.47**	**128.68**	**150.15**

37. EARNING PER SHARE

Particulars	2021-22	2020-21
No. of Equity Shares at the beginning of the year	14,89,09,208	15,47,15,470
Less: Equity Shares extinguished on buyback	-	58,06,262
No. of Equity Shares at the end of the year	14,89,09,208	14,89,09,208
Weighted Average No. of Equity Shares	14,89,09,208	15,16,53,331
Profit for calculation of EPS (₹ in Crores)	540.30	671.02
Basic and Diluted Earnings Per Share (₹)	36.28	44.25
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 recognised ₹ 32.59 Crores (Previous Year ₹ 27.11 Crores) for provident fund contributions and ₹ 0.28 Crores (Previous Year ₹ 0.29 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

38. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (Contd.)

(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

(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	2021-22	2020-21
(i) Expenses recognised during the year		
In the statement of Profit & Loss	9.55	9.23
In Other Comprehensive Income	(0.71)	(0.96)
	8.84	**8.27**
(ii) Expenses recognised in the statement of Profit & Loss		
Current Service Cost	8.01	7.95
Net Interest Cost	1.54	1.28
Total	**9.55**	**9.23**
(iii) Expenses recognised in other comprehensive income		
Actuarial (gains) / losses		
change in demographic assumptions	-	(0.30)
change in financial assumptions	(0.89)	1.12
experience variance	0.11	(1.48)
Return on plan assets	0.07	(0.30)
Total	**(0.71)**	**(0.96)**
(iv) Net Liability recognised in the Balance Sheet	**As at 31 March, 2022**	**As at 31 March, 2021**
Present value of obligation	60.09	54.99
Fair value of plan assets	35.16	28.40
Liability Recognised in Balance Sheet	**(24.93)**	**(26.59)**
(v) Changes in Present Value of Obligations		
Present value of obligation at the beginning of the year	54.99	49.51
Current Service Cost	8.01	7.95
Interest Cost (Gross)	3.11	2.99
Actuarial (gains) / losses arising from:		
changes in financial assumptions	(0.89)	1.12
change in demographic assumptions	-	(0.30)
changes in experience assumptions	0.11	(1.48)
Liability transferred	-	0.07
Benefits paid	(5.24)	(4.87)
Present value of obligation at the end of the year	**60.09**	**54.99**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

38. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (Contd.)

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(vi) Changes in Fair Value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	28.40	24.75
Interest Income	1.57	1.71
Return on Plan Assets	(0.07)	0.30
Contributions by Employer	10.50	6.51
Benefits paid	(5.24)	(4.87)
Fair Value of Plan assets at the end of the year	**35.16**	**28.40**
(vii) Bifurcation of present value of obligations into current and non-current		
Current Liability	5.40	8.56
Non-current Liability	19.53	18.03
(viii) Actuarial assumptions used in determining the obligation are		
Discount rate	5.60%-6.90%	5.60%-6.90%
Salary Escalation Rate	5.00%-8.00%	5.00%-8.00%
Mortality Rate	As per Indian Assured Lives Mortality (2012-14) Table	
Withdrawal Rate	2.00%-25.00%	2.00%-25.00%
Retirement Age	58 - 60 years	
Expected Return on Asset	5.60%-6.90%	5.60%-6.90%
(ix) Maturity Profile of Defined benefit obligation		
1 year	10.67	10.00
2 year	8.31	7.00
3 year	8.52	7.37
4 year	8.41	7.79
5 year	7.97	7.45
after 5 year	34.26	29.57
(x) Quantitative Sensitivity Analysis for Significant Assumptions		
Defined Benefits Obligation (Base) (₹ in Crores)	60.09	54.99
Impact of change in discount rate		
Revised obligation at the end of the year		
due to increase of 0.50%	58.24	53.24
due to decrease of 0.50%	61.62	56.38
Impact of change in salary increase		
Revised obligation at the end of the year		
Impact due to increase of 0.50%	61.32	56.15
Impact due to decrease of 0.50%	58.45	53.41

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

38. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (Contd.)

(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.

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**	
	Jhajjar KT Transco Private Limited (upto 27 September, 2020)	
	Kurukshetra Expressway Private Limited	
	Kohima-Mariani Transmission Limited (upto 19 December, 2021)	
b)	**Key Management Personnel**	
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman
	Mr. Manish Mohnot	Managing Director and CEO
c)	**Individuals having significant influence and their relatives:**	
	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 Plus Sharyans	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

40. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW : (Contd.)

Transactions with Related Parties in ordinary course of business are:

(₹ in Crores)

	Particulars	Relationship	2021-22	2020-21
1	**Purchase / Construction of Property, Plant and Equipment**			
	Kalpataru Limited	Enterprises having significant influence	-	9.33
	Gurukrupa Developers	Enterprises having significant influence	-	8.71
2	**Advance For Capex given / (adjusted)**			
	Gurukrupa Developers	Enterprises having significant influence	-	(8.71)
3	**Net Loans and advances given / (repaid)**			
	Kohima-Mariani Transmission Limited	Joint Venture	(36.06)	3.45
	Jhajjar KT Transco Private Limited	Joint Venture	-	(4.25)
	Kurukshetra Expressway Private Limited	Joint Venture	40.10	40.10
4	**Other Expenses / Service Charges**			
	Agile Real Estate Private Limited	Enterprises having significant influence	0.93	0.05
	Kalpataru Limited	Enterprises having significant influence	0.27	0.24
	Argos Arkaya Power Solutions LLP	Enterprises having significant influence	0.03	0.01
	Kiyana Ventures LLP	Enterprises having significant influence	0.02	-
5	**Reimbursement of Expenses Payable / (Receivable)**			
	Jhajjar KT Transco Private Limited	Joint Venture	-	0.02
	Kohima-Mariani Transmission Limited	Joint Venture	(3.70)	(34.28)
	Property Solution (India) Private Limited	Enterprises having significant influence	2.35	2.15
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	0.15
	Kalpataru Limited	Enterprises having significant influence	0.44	0.27
	BGK Infrastructure Developers Private limited	Enterprises having significant influence	-	0.01
6	**Rent Paid**			
	Kalpataru Retail Ventures Private Limited*	Enterprises having significant influence	-	4.99
	Kalpataru Limited*	Enterprises having significant influence	18.34	13.42
	BGK Infrastructure Developers Private limited	Enterprises having significant influence	0.56	0.51
	K C Holdings Private Limited	Enterprises having significant influence	0.06	0.06
	Dynacraft Machine Company Limited	Enterprises having significant influence	0.56	0.37
	*During Previous year units of Kalpataru Retail Ventures Private Limited merged with Kalpataru Limited			
7	**Revenue from Operations**			
	Jhajjar KT Transco Private Limited	Joint Venture	-	0.72
	Kohima-Mariani Transmission Limited	Joint Venture	64.59	49.37
	Kiyana Ventures LLP	Enterprises having significant influence	-	0.15
	Abacus Real Estate Private Limited	Enterprises having significant influence	0.99	3.54
	Agile Real Estate Private Limited	Enterprises having significant influence	31.02	11.20
	Kalpataru Urbanscape LLP	Enterprises having significant influence	28.27	6.13
	Kalpataru Plus Sharyans	Enterprises having significant influence	0.04	-
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.13	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

40. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW : (Contd.)

(₹ in Crores)

Particulars		Relationship	2021-22	2020-21
8	**Other Income**			
	Jhajjar KT Transco Private Limited	Joint Venture	-	16.24
	Kohima-Mariani Transmission Limited	Joint Venture	2.76	3.21
	Kalpataru Limited	Enterprises having significant influence	0.08	-
9	**Salary and Commission ***			
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	11.38	16.40
	Mr. Manish Mohnot	Key Management Personnel	13.92	14.71
	Mr. Parag Munot	Promoter Director	2.25	2.17
	* break up of Compensation to key managerial personnel			
	- Short term employment benefits is ₹ 25.30 Crores (Previous year ₹ 31.11 Crores)			
10	**Dividend Paid**			
	Kalpataru Properties Private Limited	Enterprises having significant influence	1.61	11.60
	Kalpataru Construction Private Limited	Enterprises having significant influence	3.50	19.85
	K C Holdings Private Limited	Enterprises having significant influence	3.17	17.97
	Kalpataru Viniyog LLP	Enterprises having significant influence	0.20	1.12
	Kalpataru Holdings Private Limited	Enterprises having significant influence	0.05	0.28
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	1.50	8.50
	Mr. Parag Munot	Promoter Director	1.19	6.77
	Ms. Sudha Golechha	Relative of Promoter Director	0.13	0.74
	Ms. Sunita Choraria	Relative of Promoter Director	0.13	0.74
11	**Security Deposit paid**			
	Dynacraft Machine Company Limited	Enterprises having significant influence	-	0.56
12	**Advance from Customers received / (adjusted) net**			
	Kohima-Mariani Transmission Limited	Joint Venture	-	(2.93)
	Kiyana Ventures LLP	Enterprises having significant influence	-	(0.04)
	Agile Real Estate Private Limited	Enterprises having significant influence	2.38	(1.03)
	Kalpataru Urbanscape LLP	Enterprises having significant influence	(4.34)	(1.85)
13	**Investment in Equity Shares**			
	Jhajjar KT Transco Private Limited *	Joint Venture	-	1.78
	* Equity shared acquired from Klassik Vinyl Products LLP			
14	**Corporate Social Responsibility**			
	Kalpataru Foundation	Enterprises having significant influence	6.46	1.91

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

40. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW : (Contd.)

Balances with Related parties as at 31 March, 2022

(₹ in Crores)

	Particulars	Relationship	As at 31 March, 2022	As at 31 March, 2021
1	**Advances Given**			
	Gurukrupa Developers	Enterprises having significant influence	0.01	0.01
	Kalpataru Properties Private Limited	Enterprises having significant influence	32.31	32.31
2	**Loans Given**			
	Kohima-Mariani Transmission Limited	Joint Venture	-	36.06
	Kurukshetra Expressway Private Limited^	Joint Venture	-	160.05
	^Net of provisions			
3	**Security Deposit Given**			
	Kalpataru Limited*	Enterprises having significant influence	94.20	94.20
	Dynacraft Machine Company Limited	Enterprises having significant influence	0.56	0.56
4	**Trade and Other Payable**			
	Kalpataru Limited	Enterprises having significant influence	14.79	6.04
	Agile Real Estate Private Limited	Enterprises having significant influence	0.97	0.06
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.05	0.05
	Property Solution (India) Private Limited	Enterprises having significant influence	0.42	0.25
	BGK Infrastructure Developers Private limited	Enterprises having significant influence	0.03	0.05
	K C Holdings Private Limited	Enterprises having significant influence	-	0.01
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	6.90	12.23
	Mr. Manish Mohnot	Key Management Personnel	10.15	11.12
	Mr. Parag Munot	Promoter Director	2.25	2.17
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	1.06	2.72
	Agile Real Estate Private Limited	Enterprises having significant influence	43.50	47.53
	Kohima-Mariani Transmission Limited	Joint Venture	-	66.27
	Kalpataru Urbanscape LLP	Enterprises having significant influence	44.15	17.11
6	**Advances From Customers**			
	Kiyana Ventures LLP	Enterprises having significant influence	0.71	0.71
	Kalpataru Urbanscape LLP	Enterprises having significant influence	3.45	7.79
	Agile Real Estate Private Limited	Enterprises having significant influence	2.38	-
7	**Guarantee Commission Receivable**			
	Kohima-Mariani Transmission Limited	Joint Venture	-	0.04
8	**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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

41. ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF :

(₹ in Crores)

Particulars	2021-22	2020-21
Subcontracting expenses	3,596.28	3,334.86
Construction material, stores and spares consumed	463.52	445.53
Power and fuel	133.34	111.26
Freight and Forwarding Expenses	38.29	53.48
Vehicle and Equipment Hire Charges	273.11	255.54
Custom Duty, Clearing & Handling Charges	20.52	57.84
Others	168.10	339.50
Total	**4,693.16**	**4,598.01**

During the year, the Group has reclassified warranty expense from other expenses to Erection and Sub-contracting expenses to appropriately reflect economic substance and nature of transaction and accordingly the comparative amounts for previous year of ₹ 44.66 Crores has also been reclassified.

42. (a) One of the Subsidiary Company has filed a writ petition dated 06 May, 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 01 April, 2009, 20 August, 2008 and 05 February, 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 01 April, 2009, 20 August, 2008, and 05 February, 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 11 May, 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 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 Standardisation (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 ₹ 2.25 Crores (Previous Year ₹ 2.25 Crores). The said advance capital subsidy received by subsidiary Company has credited to the relevant fixed assets of the subsidiary Company 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 ₹ 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. Gujarat High Court has decided Special Civil Application and directed NABARD to release balance subsidy amount along with 6% interest per annum. Once certified copy of the order / judgment is received, an early hearing application before Hon'ble Rajasthan High Court, Jaipur will be filed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

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 Limited(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	
	2021-22	2020-21
Revenue accounted during the year	179.13	156.46
Loss before tax	(48.60)	(65.27)

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 2021-22

(₹ in Crores)

Particulars	GROSS BLOCK					AMORTISATION					NET BLOCK
	As at 01 April, 2021	Additions	Deductions	Foreign Currency Translation Reserve	As at 31 March, 2022	As at 01 April, 2021	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31 March, 2022	As at 31 March, 2022
TANGIBLE ASSETS											
Land	2.44	1.28	0.35	-	3.37	0.17	0.19	-	-	0.36	3.01
Buildings	118.83	42.01	13.78	(0.73)	146.33	52.61	40.11	11.53	(0.52)	80.67	65.66
Plant & Equipments	26.79	37.50	0.20	(0.14)	63.95	2.70	10.56	0.18	(0.05)	13.03	50.92
Vehicles	25.68	4.36	2.24	(1.05)	26.75	8.47	6.62	1.76	(0.66)	12.67	14.08
Furniture and Fixture	-	0.04			0.04	-	0.01			0.01	0.03
Total	**173.74**	**85.19**	**16.57**	**(1.92)**	**240.44**	**63.95**	**57.49**	**13.47**	**(1.23)**	**106.74**	**133.70**

FINANCIAL YEAR 2020-21

(₹ in Crores)

Particulars	GROSS BLOCK					AMORTISATION					NET BLOCK
	As at 01 April, 2020	Additions	Deductions	Foreign Currency Translation Reserve	As at 31 March, 2021	As at 01 April, 2020	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31 March, 2021	As at 31 March, 2021
TANGIBLE ASSETS											
Land	2.47	0.19	0.22	-	2.44	0.24	0.15	0.22	-	0.17	2.27
Buildings	109.95	28.47	20.67	1.08	118.83	26.79	41.89	16.32	0.25	52.61	66.22
Plant & Equipments	4.08	20.21	(2.48)	0.02	26.79	1.27	1.38	-	0.05	2.70	24.09
Vehicles	16.14	11.16	3.29	1.67	25.68	4.19	5.80	1.98	0.46	8.47	17.21
Total	**132.64**	**60.03**	**21.70**	**2.77**	**173.74**	**32.49**	**49.22**	**18.52**	**0.76**	**63.95**	**109.79**

3 Finance costs includes interest expense amounting to ₹ 8.57 Crores (Previous year ₹ 7.02 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

5 Lease liabilities

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Maturity analysis - Undiscounted cash flows		
Less than one year	59.86	44.59
More than one year	83.95	69.17
Total undiscounted lease liabilities		
Lease liabilities included in financial position		
Current	54.53	42.47
Non current	74.31	63.81

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

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 Power Transmission Limited	101.83%	4,356.84	94.55%	510.88	16.04%	5.49	89.88%	516.37
Subsidiaries								
Indian								
Adeshwar Infrabuild Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Amber Real Estate Limited	0.07%	2.88	0.36%	1.97	0.00%	-	0.34%	1.97
Energylink India Limited	3.57%	152.78	-0.02%	(0.11)	0.00%	-	-0.02%	(0.11)
JMC Projects (India) Limited	20.56%	879.50	-29.15%	(157.52)	88.75%	30.37	-22.13%	(127.15)
Shree Shubham Logistics Limited	3.00%	128.43	-6.44%	(34.81)	-0.12%	(0.04)	-6.07%	(34.85)
Kalpataru Metfab Private Limited	0.34%	14.52	-0.04%	(0.19)	0.00%	-	-0.03%	(0.19)
Brij Bhoomi Expressway Private Limited	-0.73%	(31.05)	1.94%	10.49	0.03%	0.01	1.83%	10.50
JMC Mining and Quarries Limited	0.00%	0.01	-0.03%	(0.18)	0.00%	-	-0.03%	(0.18)
Saicharan Properties Limited	2.50%	107.11	-2.00%	(10.81)	0.00%	-	-1.88%	(10.81)
Vindhyachal Expressway Private Limited	-0.64%	(27.36)	-1.20%	(6.49)	0.00%	-	-1.13%	(6.49)
Wainganga Expressway Private Limited	-6.04%	(258.28)	-9.89%	(53.43)	0.03%	0.01	-9.30%	(53.42)
Punarvasu Financial Services Private Limited	0.50%	21.19	0.19%	1.00	0.00%	-	0.17%	1.00
Foreign								
Kalpataru Power Transmission (Mauritius) Limited	0.03%	1.48	-0.03%	(0.18)	0.03%	0.01	-0.03%	(0.17)
Kalpataru Power Transmission - USA, INC	0.07%	3.20	-0.08%	(0.44)	0.29%	0.10	-0.06%	(0.34)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

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 (Contd.)

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)
LLC Kalpataru Power Transmission Ukraine	-0.04%	(1.51)	0.00%	-	0.12%	0.04	0.01%	0.04
Kalpataru Power DMCC, UAE	-0.07%	(2.92)	-0.18%	(0.95)	-0.23%	(0.08)	-0.18%	(1.03)
Kalpataru IBN Omairah Company Limited	-0.47%	(20.11)	-4.39%	(23.73)	-0.85%	(0.29)	-4.18%	(24.02)
Kalpataru Power Transmission Sweden AB	2.57%	109.76	11.18%	60.38	0.00%	-	10.51%	60.38
Linjemontage i Grästorp Aktiebolag	2.68%	114.56	19.22%	103.85	0.00%	-	18.08%	103.85
Linjemontage Service Nordic AB	0.35%	14.78	1.01%	5.47	0.00%	-	0.95%	5.47
Linjemontage AS	0.05%	2.02	-0.72%	(3.91)	0.00%	-	-0.68%	(3.91)
Kalpataru Power Senegal SARL	0.37%	15.77	-0.33%	(1.77)	-0.26%	(0.09)	-0.32%	(1.86)
Kalpataru Power DO Brasil Participacoes Ltda	1.93%	82.65	-1.08%	(5.81)	40.12%	13.73	1.38%	7.92
Fasttel Engenharia S.A.	0.00%	-	-4.77%	(25.78)	0.00%	-	-4.49%	(25.78)
Kalpataru Power Chile SpA	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non Controlling interest in all subsidiaries	-3.25%	(138.90)	0.97%	5.24	-28.35%	(9.70)	-0.78%	(4.46)
Joint Venture (as per equity consolidation method)								
Kurukshetra Expressway Private Limited	0.00%	-	-3.68%	(19.89)	0.00%	-	-3.46%	(19.89)
Adjustment arising out of consolidation	-29.21%	(1,248.79)	34.61%	187.02	-15.60%	(5.34)	31.62%	181.68
Total	**100.00%**	**4,278.57**	**100.00%**	**540.30**	**100.00%**	**34.22**	**100.00%**	**574.52**

46. BUSINESS COMBINATION

During Current year, On 07 April, 2021, the Company's wholly owned Subsidiary Company, Kalpataru Power do Brasil Participações Ltda had acquired 51% stake in Fasttel Engenharia S.A. (Fasttel). The Company has paid ₹ 62.24 Crores (BRL 47 Million) to acquire 51% stake in Fasttel.

The Holding Company had accounted for transaction under Ind AS 103, "Business Combinations" and allocated the Purchase consideration paid for this acquisition as follows:

(₹ in Crores)

Particulars	2021-22
Net assets excluding deferred tax liabilities	(22.40)
Intangible assets	44.73
Goodwill	60.70
Deferred tax liabilities	(20.79)
Total Consideration paid	**62.24**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

47. 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 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the year	**114.76**	**105.88**	**21.81**	**19.77**
Acquired on business combination during the year	60.70	-	13.05	-
Foreign currency translation difference	8.75	8.88	1.82	2.04
Balance at the end of the year	**184.21**	**114.76**	**36.68**	**21.81**

The Holding Company did not identify any impairment based on internal cashflow forecast.

48. 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.

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker (CODM) for the purpose of resource allocation and assessing performance.

Summarised segment information are as follows:

(a) Business Segment

(₹ in Crores)

	Particulars	EPC		Developmental Projects		Others		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(i)	Segment Revenue	14,442.59	12,425.85	212.80	370.72	124.34	154.85	14,779.73	12,951.42
	Less: Inter-Segmental Revenue							2.35	1.98
	Revenue from Operations							**14,777.38**	**12,949.44**
(ii)	Segment Results (before finance cost and interest income)	977.65	1,171.29	103.05	175.38	(3.35)	36.39	1,077.35	1,383.06
	Add: Interest income							35.28	30.13
	Less: Finance Costs							396.33	435.73
	Share of Loss from Joint Venture							(19.89)	(32.21)
	Profit Before Tax							696.41	945.25
	Current Tax							191.59	303.24
	Deferred Tax							(30.24)	(20.03)
	Net Profit for the year							**535.06**	**662.04**
(iii)	Other Information								
	Depreciation and Amortisation Expenses							350.78	373.45
	Impairment of assets	-	-	15.43	-	22.28	0.86	37.71	0.86

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2022

48. SEGMENT REPORTING (Contd.)

(₹ in Crores)

Particulars	EPC	Developmental Projects	Others	Total
(iv) **Segment Assets and Liabilities**				
As at 31 March, 2022				
Segment Assets	14,733.14	2,300.55	517.35	17,551.04
Less: Inter segmental assets	335.92	-	3.61	339.53
Net Segment Assets	**14,397.22**	**2,300.55**	**513.74**	**17,211.51**
Segment Liabilities	11,206.45	1,559.45	371.40	13,137.30
Less: Inter segmental liabilities	3.59	199.15	140.52	343.26
Net Segment Liabilities	**11,202.86**	**1,360.30**	**230.88**	**12,794.04**
As at 31 March, 2021				
Segment Assets	12,873.06	2,283.63	570.73	15,727.42
Less: Inter segmental assets	365.51	3.44	4.94	373.89
Net Segment Assets	**12,507.55**	**2,280.19**	**565.79**	**15,353.53**
Segment Liabilities	9,669.98	1,805.96	396.21	11,872.15
Less: Inter segmental liabilities	4.96	237.59	135.01	377.56
Net Segment Liabilities	**9,665.02**	**1,568.37**	**261.20**	**11,494.59**

(b) Geographical Segment

(₹ in Crores)

Particulars	2021-22	2020-21
Revenue from Operations		
Within India	9,828.86	8,217.37
Outside India^	4,948.52	4,732.07
Total	**14,777.38**	**12,949.44**

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non Current Assets*		
Within India	1,673.40	1,646.35
Outside India	192.78	184.75

* 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.

49. Revenue from major customers - Public sector undertakings in India, is ₹ 2,026.00 Crores (Previous year ₹ 2,893 Crores). Revenue from other individual customer is less than 10% of total revenue.

50. Performance obligations unsatisfied or partially satisfied amounts to ₹ 29,282.92 Crores (Previous year ₹ 27,349.90 Crores) for which revenue is expected to be recognised in future over the period of 1 to 8 years.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

51. INVESTMENT PROPERTIES :

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investment Properties - at Cost	0.82	0.82
Investment Properties - at Fair Value	24.32	19.85

Fair Valuation Technique: The fair value of Investment property has been determined by independent external Government registered property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. Valuation of the subject property has been done by Sales Comparison Method under Market Approach at each balance sheet date.

52. The Group has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

(₹ 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
		As at 31 March, 2022	As at 31 March, 2021	
Lorshi Enterprises Private Limited	Payables	0.00	0.01	NA

53. LOANS OR ADVANCES TO SPECIFIED PERSONS

(₹ in Crores)

Type of Borrower	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
Loans to Joint venture - Kurukshetra Expressways Private Limited -Repayable on demand and Interest free loan	298.87	65%	239.52	52%

54. The Board of directors of the Company in their meeting held on 19 February, 2022 have approved a Scheme of amalgamation of JMC Project (India) Limited with the Company. The appointed date under the Scheme is 01 April, 2022 and will become effective upon receipt of requisite approval / orders from the competent authorities and Hon'ble National Company law Tribunal.

55. Exceptional item includes :-

(i) 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 03 July, 2019 ("the Agreement") with Apraava Energy Private Limited (formerly known as CLP India Private Limited – "the Buyer") to sell their respective equity stake in KMTL. Pursuant to the Agreement, the Company has sold 23% stake and transfer the control of KMTL on 20 December, 2021 and the balance 51% stake will be transferred after obtaining requisite approvals. In accordance with Ind AS 28 "Investments in Associates and Joint Ventures" and Ind AS 109 "Financial Instruments", the Company has recognised entire gain of ₹ 262.41 Crores (net of expenses) in relation to transfer of 23% equity stake and fair value gain on retained equity stake of 51% in KMTL.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

55. Exceptional item includes (Contd.):-

(ii) During the year, JMC Projects (India) Limited has recognised provision for impairment of ₹ 15.43 Crores in value of intangible assets of it's subsidiary namely Wainganga Expressway Private Limited, which is presented as exceptional items.

(iii) During the year, Shree Shubham Logistics Limited, a subsidiary company, has recognised impairment loss of ₹ 22.28 Crores on Property, Plant and Equipments.

(iv) Kurukshetra Expressway Private Limited ("KEPL" or "Concessionaire"), a joint venture (49.57%) of JMC Projects (India) Limited("JMC"), issued a notice of termination of Concession Agreement ("CA") vide letter dated 07 October, 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. During the year ended 31 March, 2022, JMC (a subsidiary of the Company) had recognised provision towards Expected credit loss of ₹ 48.96 Crores against loans given to KEPL / others.

Further, the Promoters of KEPL have, jointly and severally given 'shortfall undertakings' to the Senior Lenders, should there be any shortfall between amounts received from NHAI and that payable to KEPL's lenders. KEPL has received copy of the letter dated 03 February, 2022 sent by 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". Accordingly, in light of the above JMC has made further provision for Expected Credit Loss of ₹ 46.30 Crores. JMC has also recognised ₹ 39.77 Crores towards their share (49.57%) being a potential shortfall, if any, which is disclosed as an exceptional item.

(v) In financial year 2020-21, the Company had transferred control of Alipurduar Transmission Limited (ATL) and consequently the financial statements of ATL have not been consolidated w.e.f 26 November, 2020. Accordingly, for the year ended 31 March, 2022 are not comparable with those of the corresponding year. The exceptional items of ₹ 209.64 Crores for the year ended 31 March, 2021, represents gain due to the aforesaid transaction and sale of stake in Jhajjar KT Transco Private Limited by the Company.

56. ADDITIONAL DISCLOSURES PURSUANT TO SCHEDULE III TO THE COMPANIES ACT

(i) 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 2021-22						
(i) MSME	33.30	74.58	2.42	0.37	45.57	156.24
(ii) Others	1,201.72	1,687.79	137.85	61.38	59.91	3,148.65
(iii) Disputed dues - MSME	1.64	1.20	0.01	-	-	2.85
(iv) Disputed dues - Others	0.61	0.29	0.05	0.06	1.96	2.97
(v) Unbilled	1,264.25	4.09	-	-	-	1,268.34
Total	**2,501.52**	**1,767.95**	**140.33**	**61.81**	**107.44**	**4,579.05**
FY 2020-21						
(i) MSME	96.22	75.60	1.58	0.47	0.23	174.10
(ii) Others	1,491.89	771.97	171.21	125.34	81.23	2,641.64
(iii) Disputed dues - MSME	1.14	-	-	-	-	1.14
(iv) Disputed dues - Others	0.05	0.27	1.33	0.68	0.83	3.16
(v) Unbilled	1,257.30	-	-	-	-	1,257.30
Total	**2,846.60**	**847.84**	**174.12**	**126.49**	**82.29**	**4,077.34**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

(ii) 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.

57. Vindhyachal Expressway Private Limited ("VEPL" or "Concessionaire") and Wainganga Expressway Private Limited ("WEPL" or "Concessionaire"), subsidiaries of one of the subsidiary 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 demonetisation, which resulted in substantial reduction in toll revenue. The said proceedings are still pending for resolution.

58. 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.

59. The Board of Directors have recommended a dividend of ₹ 6.50 per equity share for the financial year 2021-22, subject to approval by shareholders at the Annual General Meeting and if approved, would result in cash outflow of ₹ 96.79 Crores, which has not been included as liability in these consolidated financial statements.

60. The figures for the previous periods have been regrouped / rearranged wherever necessary to conform to the current periods classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 01 April, 2021.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W / W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 14 May, 2022

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors
Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908
Mumbai : 14 May, 2022

GENERAL INFORMATION

Our Company was incorporated on April 23, 1981, as a private limited company under the Companies Act, 1956 under the name 'H. T. Power Structure Private Limited' pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company became a deemed public company with effect from March 30, 1993, in accordance with Section 43A(1A) of the Companies Act, 1956 and the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli to that effect. Subsequently, our Company was converted from a deemed public limited company to a public limited company and renamed as 'H. T. Power Structure Limited' pursuant to a special resolution passed by the shareholders of our Company on November 22, 1993 and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli to that effect. Further, the name of our Company was changed to 'Kalpataru Power Transmission Limited' pursuant to a special resolution passed by the shareholders of our Company on December 28, 1993 and a fresh certificate of incorporation dated January 4, 1994 was issued by RoC. Subsequently, the name was changed to the present name *viz*., 'Kalpataru Projects International Limited' pursuant to a special resolution passed by the shareholders of our Company on May 14, 2023 and a fresh certificate of incorporation dated May 22, 2023 was issued by RoC.

1. The Equity Shares of our Company have been listed on BSE since February 21, 1995, and on NSE since December 15, 2000.

2. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE and NSE on December 12, 2024, under Regulation 28(1)(a) of the SEBI Listing Regulations. We shall apply for final listing and trading approvals of such Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

3. Our Registered Office is situated at Plot No. 101, Part-III, G.I.D.C Estate, Sector-28, Gandhinagar – 382 028, Gujarat, India and Corporate Office is situated at "Kalpataru Synergy", 7th Floor, Opp. Grand Hyatt Hotel, Vakola, Santacruz (E), Mumbai – 400 055, Maharashtra, India.

4. The CIN of our Company is L40100GJ1981PLC004281.

5. The website of our Company is www.kalpataruprojects.com.

6. The authorised equity share capital of our Company is ₹ 85,00,00,000 divided into 42,50,00,000 equity shares of ₹ 2 each. The issued, subscribed and paid-up share capital of our Company is ₹ 324,892,304 divided into 16,24,46,152 equity shares of ₹ 2 each.

7. The Issue was authorised and approved by our Board of Directors pursuant to its resolution passed on October 28, 2024. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed by way of postal ballot on November 30, 2024.

8. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

9. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:00 a.m. to 5:00 p.m. on any weekday (except Saturdays, Sundays and public holidays) during the Issue Period at our Registered Office.

10. Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

11. Except as disclosed in this Placement Document and intimated to the Stock Exchanges pursuant to SEBI Listing Regulations, to our knowledge, no circumstances have arisen since September 30, 2024, that could materially and adversely affect, the profitability of the Company, the value of its material assets, or ability to pay its material liabilities within the next 12 months.

12. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 258.

13. The Issue will not result in a change in control of our Company.

14. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

15. The Floor Price is ₹ 1,214.98 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by the Independent Chartered Accountants. Our Company has offered a discount of ₹ 13.98, equivalent to 1.15% on the Floor Price, in terms of the SEBI Regulations. The Issue Price after discount on the Floor Price is ₹ 1,201.00 for each Equity Share.

16. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including websites of our Company and our Subsidiaries, would be doing so at their own risk.

17. Our Statutory Auditor is B S R & Co. LLP, Chartered Accountants. Our Company has received a written consent dated December 12, 2024, from our Statutory Auditor as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (a) their audit reports May 8, 2024, May 8, 2023, and May 14, 2022, respectively for the Audited Consolidated Financial Statements; and (b) review reports dated October 28, 2024 and November 2, 2023, respectively, for the Unaudited Consolidated Financial Results, as included in this Placement Document.

18. Shweta Girotra is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

    Shweta Girotra
    Kalpataru Synergy, 7th Floor,
    Opp. Grand Hyatt Hotel, Vakola,
    Santacruz (E), Mumbai – 400 055,
    Maharashtra, India
    Telephone: +91 22 3064 2100/3064 2107
    E-mail: cs@kalpataruprojects.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below:

S. No.	Name of the proposed Allottees(2)	Percentage of the post-Issue share capital held (%)(1)(3)
1.	SBI ENERGY OPPORTUNITIES FUND	2.22%
2.	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND	2.12%
3.	KOTAK SMALL CAP FUND	1.63%
4.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	1.48%
5.	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE OF HSBC INDIA INFRASTRUCTURE EQUITY MOTHER FUND	1.18%
6.	MIRAE ASSET FOCUSED FUND MIRAEFFD	1.03%
7.	ICICI PRUDENTIAL LARGE & MID CAP FUND	0.94%
8.	HDFC MUTUAL FUND - HDFC MULTI CAP FUND	0.80%
9.	HDFC MUTUAL FUND - HDFC HYBRID EQUITY FUND	0.62%
10.	NOMURA FUNDS IRELAND PUBLIC LIMITED COMPANY- NOMURA FUNDS IRELAND - INDIA EQUITY FUND	0.61%
11.	MIRAE ASSET LARGE CAP FUND	0.61%
12.	HDFC TRUSTEE COMPANY LIMITED - HDFC INFRASTRUCTURE FUND	0.44%
13.	ICICI PRUDENTIAL MULTICAP FUND	0.43%
14.	ICICI PRUDENTIAL ENERGY OPPORTUNITIES FUND	0.41%
15.	EASTSPRING INVESTMENTS INDIA INFRASTRUCTURE EQUITY OPEN LIMITED	0.40%
16.	KOTAK INFRASTRUCTURE & ECONOMIC REFORM FUND	0.37%
17.	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA MULTI CAP FUND	0.36%
18.	DSP SMALL CAP FUND	0.34%
19.	SBI MULTI ASSET ALLOCATION FUND	0.33%
20.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	0.30%
21.	EASTSPRING INVESTMENTS - INDIA EQUITY FUND	0.28%
22.	HDFC MUTUAL FUND - HDFC RETIREMENT SAVINGS FUND - EQUITY PLAN	0.26%
23.	ICICI PRUDENTIAL MNC FUND	0.24%
24.	BEST INVESTMENT CORPORATION MANAGED BY TT INTERNATIONAL	0.24%
25.	CARNELIAN BHARAT AMRITKAAL FUND .	0.24%
26.	SBI EQUITY SAVINGS FUND	0.17%
27.	ICICI PRUDENTIAL EQUITY OPPORTUNITIES FUND	0.14%
28.	KOTAK MAHINDRA TRUSTEE CO LTD A/C KOTAK BUSINESS CYCLE FUND	0.14%
29.	TATA INFRASTRUCTURE FUND	0.12%
30.	NIPPON LIFE INDIA TRUSTEE LTD-A/c NIPPON INDIA FLEXI CAP FUND	0.09%
31.	KUWAIT INVESTMENT AUTHORITY FUND F238	0.07%
32.	ICICI PRUDENTIAL GROWTH LEADERS FUND SERIES IV	0.06%
33.	ICICI PRUDENTIAL GROWTH LEADERS FUND	0.05%
34.	RAMS INVESTMENT UNIT TRUST - INDIA EQUITIES PORTFOLIO FUND II	0.04%
35.	TATA ALTERNATIVE INVESTMENT FUND-TATA EQUITY PLUS ABSOLUTE RETURNS FUND	0.02%
36.	TT EM EX CHINA EQUITY FUND A SUB-FUND OF TT INTERNATIONAL FUNDS PLC	0.01%
37.	CARNELIAN INDIA AMRITKAAL FUND	0.01%
38.	RAMS INVESTMENT UNIT TRUST - NIPPON INDIA SMALL AND MID-CAP EQUITIES PORTFOLIO FUND	0.01%
39.	TATA ALTERNATIVE INVESTMENT FUND-TATA ABSOLUTE RETURN FUND	0.01%

(1) Based on beneficiary position as on December 6, 2024.
(2) Subject to Allotment in the Issue.
(3) The post-Issue shareholding (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

For and on behalf of the Board of Directors:

Signed by:

____

Authorised Signatory

Name: Manish Mohnot
Designation: Managing Director & CEO

Date: December 16, 2024
Place: Mumbai, Maharashtra

DECLARATION

We, the Board of Directors of the Company, certify that:

i. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

ii. the compliance with the Companies Act, 2013 and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

iii. the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board of Directors:

Signed by:

____

Authorised Signatory

Name: Manish Mohnot
Designation: Managing Director & CEO

Date: December 16, 2024
Place: Mumbai, Maharashtra

I am authorized by the QIP Committee of the Board, *vide* resolution dated December 16, 2024, to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Authorised Signatory

Name: Manish Mohnot
Designation: Managing Director & CEO

Date: December 16, 2024
Place: Mumbai, Maharashtra

KALPATARU PROJECTS INTERNATIONAL LIMITED
CIN: L40100GJ1981PLC004281

Registered Office

Plot No. 101, Part III
G.I.D.C. Estate, Sector – 28
Gandhinagar – 382 028
Gujarat, India
Telephone: 079 2321 4000 / 2321 4203

Corporate Office

"Kalpataru Synergy", 7th Floor
Opp. Grand Hyatt Hotel, Vakola
Santacruz (E), Mumbai – 400 055
Maharashtra, India
Telephone: +91 22 3064 2100/3064 2107
Email: cs@kalpataruprojects.com
Website: www.kalpataruprojects.com

Contact Person

Shweta Girotra
Designation: Company Secretary & Compliance Officer
"Kalpataru Synergy", 7th Floor
Opp. Grand Hyatt Hotel, Vakola
Santacruz (E), Mumbai – 400 055
Maharashtra, India
Telephone: +91 22 3064 2100/3064 2107
Email: cs@kalpataruprojects.com

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

Avendus Capital Private Limited
Platina Building, 9th Floor, 901
Plot No C-59, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

MONITORING AGENCY

CRISIL RATINGS LIMITED
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai – 400 076, Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

B S R & Co. LLP, Chartered Accountants
14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India

LEGAL COUNSEL TO THE COMPANY

As to Indian law

Khaitan & Co
One World Centre
10th, 13th & 14th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai – 400 013
Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

As to Indian law

Talwar Thakore & Associates
3rd Floor, Kalpataru Heritage
127, M. G. Road, Fort
Mumbai 400 001, Maharashtra, India

As to United States federal securities law

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore – 049321

SAMPLE APPLICATION FORM

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KALPATARU PROJECTS INTERNATIONAL LIMITED
(Formerly Kalpataru Power Transmission Limited)

KALPATARU PROJECTS INTERNATIONAL LIMITED

The Company was incorporated on April 23, 1981, as a private limited company under the Companies Act, 1956 under the name 'H. T. Power Structure Private Limited' pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, the Company became a deemed public company with effect from March 30, 1993, in accordance with Section 43A(1A) of the Companies Act, 1956 and the word 'Private' was removed from the name of our Company and the certificate of incorporation of the Company was endorsed by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli to that effect. Subsequently, the Company was converted from a deemed public limited company to a public limited company and renamed as 'H. T. Power Structure Limited' pursuant to a special resolution passed by the shareholders of our Company on November 22, 1993 and the certificate of incorporation of the Company was endorsed by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli to that effect. Further, the name of the Company was changed to 'Kalpataru Power Transmission Limited' pursuant to a special resolution passed by the shareholders of the Company on December 28, 1993 and a fresh certificate of incorporation dated January 4, 1994 was issued by RoC. Subsequently, the name was changed to the present name viz., 'Kalpataru Projects International Limited' pursuant to a special resolution passed by the shareholders of our Company on May 14, 2023 and a fresh certificate of incorporation dated May 22, 2023 was issued by RoC.

Registered Office: Plot No. 101, Part-III G.I.D.C Estate, Sector-28, Gandhinagar – 382 028, Gujarat, India
Corporate Office: "Kalpataru Synergy", 7th Floor, Opp. Grand Hyatt Hotel, Vakola, Santacruz (E), Mumbai – 400 055, Maharashtra, India
Telephone: +91 22 3064 2100/3064 2107
Contact Person: Shweta Girotra, Company Secretary and Compliance Officer
E-mail address: cs@kalpataruprojects.com | **Website**: www.kalpataruprojects.com
CIN: L40100GJ1981PLC004281 | **LEI:** 3358005ZIDG7MGP6TY07 | **ISIN:** INE220B01022

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APPLICATION FORM

Name of Bidder: ____________________

Form No: __________________________

Date: ______________________________

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QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE ("ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹[●] CRORES UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY KALPATARU PROJECTS INTERNATIONAL LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 1,214.98 PER EQUITY SHARE AND THE COMPANY MAY OFFER A DISCOUNT ON THE FLOOR PRICE IN TERMS OF REGULATION 176(1) OF THE SEBI ICDR REGULATIONS AND IN ACCORDANCE WITH THE APPROVAL OF ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and who (a) are not, excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws including foreign exchange related laws and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue can submit this Application Form. In addition to the foregoing, with respect to the Issue, Eligible QIBs shall consist of QIBs which are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules") can submit this Application Form. However, except as provided herein, other non-resident QIBs, in terms of the FEMA Rules, are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" in the accompanying preliminary placement document dated December 12, 2024 (the "PPD").

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FEMA RULES. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE THROUGH THE PORTFOLIO INVESTMENT SCHEME AND UNDER THE RESPECTIVE SCHEDULES OF FEMA RULES, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Eligible Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds*	**SI-NBFC**	Systemically Important Non- Banking Financial Companies
IC	Insurance Companies	**OTH**	Others ____________________ (Please specify)
Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "*same group*" or "*common control*", see "*Application Form*" under *Issue Procedure* section of the PPD.			

To,

The Board of Directors
Kalpataru Projects International Limited
Plot No. 101, Part-III G.I.D.C Estate, Sector-28,
Gandhinagar – 382 028, Gujarat, India

*	*Sponsor and Manager should be Indian owned and controlled.*
**	*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

Respected All,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations and foreign exchange related laws. We are not a promoter of the Company, directly or indirectly, (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either an Eligible QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We confirm that we are not a FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with ICICI Securities Limited and Avendus Capital Private Limited (the "**Lead Managers**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the Confirmation of Allocation Note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be Allocated to us. The Bid Amount payable by us for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Lead Managers; and (i) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or (ii) the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or (iii) the Company is unable to issue and Allot the Equity Shares offered in the Issue or (iv) if we withdraw the Bid before Bid / Issue Closing Date, or (v) if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Managers; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "***Notice to Investors***", "***Representations by Investors***", "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Lead Managers, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "***Risk Factors***" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Lead Managers or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Lead Managers, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose our names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Managers; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Lead Managers. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; and (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of such Eligible QIB.

By signing and/or submitting this Application Form, we acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. We hereby represent that we are located outside the United States and are purchasing the Equity Shares in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act and in accordance with the applicable laws of the jurisdictions where such offers and sales occur. We confirm that we have read and hereby make the representations, warranties, acknowledgments and agreements contained in the sections titled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" of the PPD.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX.**	
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. _______________________________________		
FOR MFs	SEBI MF REGISTRATION NO. _______________________________________		
FOR AIFs***	SEBI AIF REGISTRATION NO. _______________________________________		
FOR VCFs***	SEBI VCF REGISTRATION NO. _______________________________________		
FOR SI-NBFC	RBI REGISTRATION DETAILS_______________________________________		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS _______________________________________		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS----------------------		

* *Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Lead Managers.*

** *In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

*** *Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Lead Managers will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 3:00 PM (IST), December [●], 2024	
Name of the Account	*"KPIL QIP Escrow Account"*
Name of the Bank	IndusInd Bank Limited
Address of the Branch of the Bank	World Business House, near Parimal Cross Road, Shanti Sadan Society, Ellisbridge, Ahmedabad 380 006, Gujarat, India
Account Type	Escrow Account
Account Number	251002960000
IFSC	INDB0000009
Telephone No.	+91 22 6989 7475
E-mail	nseclg@indusind.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of KPIL QIP Escrow Account. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS																								
Depository Name (Please ✓)	National Security Depository Limited								Central Depository Services (India) Limited															
Depository Participant Name																								
DP – ID	I	N																						
Beneficiary Account Number									(16-digit beneficiary account. No. to be mentioned above)															
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**																								

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Lead Managers shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Legal Entity Identifier Code ("LEI")	
Date of Application	
Signature of Authorised Signatory *(may be signed either physically or digitally)***	

ENCLOSURES ATTACHED

Attested / certified true copy of the following:

- ☐ Copy of PAN Card or PAN allotment letter*
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
- ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
- ☐ Copy of notification as a public financial institution
- ☐ FIRC
- ☐ Copy of IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of power of attorney
- ☐ Other, please specify

* *It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN under the Income-tax Act, 1961.*

** *A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and PD, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the Lead Managers. The duly filed Application Form along with all enclosures shall be submitted to the Lead Managers either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.

(3) This Application Form, the PPD and the PD sent to you/ be sent to you, either in physical form or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

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