Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: [●]

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

KEC INTERNATIONAL LIMITED

Our Company was originally incorporated on March 18, 2005, under the Companies Act, 1956 as KEC Infrastructures Limited, pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. The name of our Company was changed to KEC International Limited pursuant to a fresh certificate of incorporation consequent to change of name issued by the Registrar of Companies, Maharashtra at Mumbai on January 9, 2006. For further details regarding changes in the name and Registered and Corporate Office of our Company, please refer to the section titled "*General Information*" on page 288.

Registered and Corporate Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030, Maharashtra, India
Contact person: Suraj Eksambekar, Company Secretary and Compliance Officer
Telephone: +91 22 6667 0200; **E-mail**: kecindia@kecrpg.com; **Website**: www.kecrpg.com; **CIN**: L45200MH2005PLC152061

Issue of up to [●] equity shares of face value ₹ 2 each of our Company ("**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating to ₹ [●] crores (the "**Issue**"). For further details, please refer to the section titled "*Summary of the Issue*" on page 35.

THIS 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") AND SECTION 42 AND SECTION 62 OF 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 "COMPANIES ACT")

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE 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 THE SECTION "*RISK FACTORS*" ON PAGE 43 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on September 23, 2024 was ₹ 945.05 and ₹ 945.10 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 ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue from BSE and NSE, each on September 24, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this 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 this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be 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 Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, please refer to the section titled "*Issue Procedure*" on page 232. The distribution of this Preliminary Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state of the United States and 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 state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 248 and 256, respectively.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the websites of the BRLMs (as defined hereinafter) or any of their respective affiliates does not constitute or form a part of this Preliminary 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.

This Preliminary Placement Document is dated September 24, 2024.

BOOK RUNNING LEAD MANAGERS	
ICICI SECURITIES LIMITED	JM FINANCIAL LIMITED

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Preliminary Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all the information with respect to our Company, our Subsidiaries and the Equity Shares which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries, jointly controlled operations ("**JCO**") and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiaries and the Equity Shares 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 and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary 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 Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the Book Running Lead Managers has any obligation to update such information to a later date. The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein.

ICICI Securities Limited and JM Financial Limited (the "**Book Running Lead Managers**" or "**BRLMs**") have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by such persons, as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries and the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other 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 and our Subsidiaries and the merits and risks involved in investing in the Equity Shares offered in the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary 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 BRLMs. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that the information contained in this Preliminary Placement Document is correct as of any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, 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 Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

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 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 state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. For further details, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 248 and 256, respectively.

Subscribers and purchasers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgements and agreements set forth in, and the Equity Shares are transferable only in accordance with, the restrictions described in the sections titled "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 4, 248 and 256, respectively of this Preliminary Placement Document.

The distribution of this Preliminary 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 its representatives, and those retained by the 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 Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions under applicable laws. As such, this Preliminary 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 which would permit an offering of the Equity Shares or distribution of this Preliminary 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 this Preliminary 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 must rely on their own examination of our Company, our Subsidiaries, our JCOs, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLMs are not making any representation to any prospective investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality or suitability of an investment in the Equity Shares by such prospective purchaser under applicable legal, investment or similar laws or regulations. Prospective investors should conduct their own due diligence on the Equity Shares and our Company.

Each 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 law, including Chapter VI of the SEBI ICDR Regulations, Sections 42 and 62 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 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 Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

Our Company and the BRLMs are not liable for any amendment or modification or change to applicable laws or regulations that may occur after the date of this Preliminary Placement Document. QIBs (as defined hereinafter) are advised to make their independent investigations and satisfy themselves that they are eligible to apply. 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 Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations (as defined hereafter) and the QIBs shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations (as defined hereafter) and other applicable laws, rules, regulations, guidelines and circulars.

The information on our Company's website, www.kecrpg.com, or any website directly or indirectly linked to the website of our Company or on the websites of the BRLMs or any of their respective affiliates or agents, other than this Preliminary Placement Document, does not and shall not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on any 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 Preliminary 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, please refer to the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 248 and 256, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the Bidders in this Issue. By Bidding for and/or subscribing to any of the Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged undertaken, and agreed to the contents set forth in the sections titled "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 248 and 256, respectively, and to have represented, warranted, acknowledged and agreed to our Company and the BRLMs as follows:

1. 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 (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

2. You are eligible to invest in India under applicable law, 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;

3. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, 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, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;

4. You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and 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;

5. You are eligible to invest and hold the Equity Shares of our Company in accordance with the FDI Policy (as defined hereinafter), read along with the 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 related amendments to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. You confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debenture) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, each as amended;

6. If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment (as defined hereinafter), 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. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 248 and 256, respectively;

7. You are aware that this Preliminary Placement Document and the Placement Document has not been and 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. You acknowledge that this Preliminary Placement Document has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been filed and the Placement Document will be filed with the Stock Exchanges for record purposes only and will be displayed on the websites of our Company and the Stock Exchanges;

8. 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 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 this Preliminary Placement Document), and will honour such obligations;

9. You are aware that our Company, the BRLMs and 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 investing in the Equity Shares offered in 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 BRLMs. You acknowledge that the BRLMs and 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 in relation to you;

10. 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 BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are 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 BRLMs have advised you not to place undue reliance in any way on any information that was provided to you at such Company Presentations, and (b) 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;

11. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, that is not set forth in this Preliminary Placement Document;

12. 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, as amended, and the Companies Act;

13. You understand that the Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid-up and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

14. You acknowledge that all statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our 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. You acknowledge that all forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You shall not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. You acknowledge that none of our Company, the BRLMs 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 Preliminary Placement Document;

15. You are aware and understand that the Equity Shares are being 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 the same shall be at the sole discretion of our Company, in consultation with the BRLMs;

16. You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. You acknowledge that the disclosure of such details in relation to the proposed Allottees in the Placement Document will 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;

17. You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

18. You are aware that if you 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, 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;

19. You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, the section titled "*Risk Factors*" on page 43;

20. 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 will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel 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;

21. Neither our Company, the BRLMs 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 the Issue and the use of proceeds from the Equity Shares) offered in the Issue;

22. You will obtain your own independent tax advice from a service provider and will not rely on the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLMs 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;

23. 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 the 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 aware that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and are each able to bear the economic risk of the investment in the Equity Shares including the complete loss on the investment in the Equity Shares; (ii) will not look to our Company and/or the BRLMs 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 respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) have no need for liquidity with respect to the investment in the Equity Shares; and (iv) you are seeking to subscribe to the Equity Shares in the Issue for your investment purposes and not with a view to resell or distribute such Equity Shares and 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;

24. 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 and the applicable laws of the jurisdiction where those offers and sales are made;

25. 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 transferable only in accordance with the restrictions described in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 248 and 256, respectively;

26. You are not a 'promoter' of our Company (as defined under Section 2(69) of the Companies Act, 2013 and under Regulation 2(oo) of the SEBI ICDR Regulations), and are not a person related to our Promoter, either directly or indirectly, and your Bid (hereinafter defined) does not directly or indirectly represent the Promoter or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

27. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired 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 Promoter);

28. You agree in terms of Section 42 of the Companies Act, 2013 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, 2013;

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

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

31. The Bid made by you would not ultimately result in triggering an open offer under the Takeover Regulations (as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the Takeover Regulations;

32. Your aggregate equity shareholding in our Company, together with other Eligible QIBs 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 QIB, its subsidiary or holding company and any other Eligible QIBs; and

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

33. 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 to be issued pursuant to this Issue are issued by the Stock Exchanges;

34. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 256.

35. 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 BRLMs 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;

36. You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

37. You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any of their respective shareholders, directors, officers,

employees, counsels, representatives, agents or affiliates nor any person acting on its or their 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 Preliminary 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 Preliminary 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 on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary 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 BRLMs or our Company or any other person, and the BRLMs 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 BRLMs 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;

38. You understand that the BRLMs 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 us, whether to you or otherwise;

39. You are able to purchase the Equity Shares offered in the Issue in accordance with the restrictions described in "*Selling Restrictions*" on page 248 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 248;

40. You agree that any dispute arising in connection with the Issue shall be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Preliminary Placement Document, the Placement Document and this Issue;

41. You acknowledge that this Preliminary Placement Document does not, and the 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;

42. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

43. You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% 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 our Company. 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% 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% 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, 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;

44. You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate;

45. You are aware and understand that you are 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 BRLMs;

46. 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;

47. You agree to indemnify and hold our Company, the BRLMs 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 and undertakings made by you in this Preliminary 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;

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

49. You acknowledge that our Company, the BRLMs, their respective affiliates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and that they are irrevocable;

50. If you are acquiring the Equity Shares to be issued pursuant to this 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; and

51. 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 BRLMs.

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 affiliates of the BRLMs, which is registered as a Category I FPI, 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 "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes 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 FPIs 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, P-Notes 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 from time to time. 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. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please refer to the section titled "*Issue Procedure*" on page 232. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities.

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% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, 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 FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLMs who are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes 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 P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes 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 BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

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

Also please refer to the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 248 and 256, respectively.

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DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has 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 this Preliminary Placement Document; or

2. warrant that the Equity Shares to be issued pursuant to this 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 Promoter, our management or any scheme or project of our Company.

It should not, for any reason be deemed or construed to mean that this Preliminary Placement Document has 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 Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to "our Company", "the Company" or the "Issuer" are to KEC International Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to KEC International Limited together with our Subsidiaries and JCOs, on a consolidated basis.

Currency and units of presentation

In this Preliminary Placement Document, (i) references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India; (ii) references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America; and (iii) references to 'R$' are to the legal currency of Brazil. 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. 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.

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

The figures in this Preliminary Placement Document have been presented in crores or in whole numbers where the numbers have been too small to present in crores, unless stated otherwise. Further, certain figures in the "*Industry Overview*" section of this Preliminary Placement Document have been presented in millions, billion and trillion.

The figures in our Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results are presented in crores. Further, in this Preliminary Placement Document, unless the context requires otherwise or unless stated otherwise, all financial information related to our Company for Fiscals 2022, 2023 and 2024 is derived from the Audited Consolidated Financial Statements.

In this Preliminary Placement Document, references to "crore(s)" represents "1,00,00,000", "million" represents "0.1 crore" or "1,000,000", "lakh(s)" represents "1,00,000" or "0.1 million", "billion" represents "1,000,000,000" or "1,000 million" or "100 crore" and "trillion" represents "1,000,000,000,000" or "1,000,000 million" or "100,000 crore".

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

Page numbers

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

Financial data and other information

Our Company publishes 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 the terms "Fiscal", "Fiscals" or "Fiscal Year", "FY", refer to the 12-month period ending March 31 of that particular year and references to a '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 Preliminary Placement Document:

i. audited consolidated financial statements of our Company as at and for Fiscals 2024, 2023 and 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 along with the respective audit reports thereon (collectively, the "**Audited Consolidated Financial Statements**"); and

ii. the unaudited consolidated financial results of our Company for the three month period ended June 30, 2024 and unaudited consolidated financial results of our Company for the three month period ended June

30, 2023 along with the limited review reports thereon (the "**Unaudited Consolidated Financial Results**");

For further information, please refer to the sections titled "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 290 and 91, respectively.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including U.S. GAAP or IFRS. Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its audited consolidated financial statements or the unaudited consolidated financial results, to IFRS or U.S. GAAP.

Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision. Also, please refer to the section titled "*Risk Factors – 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*." on page 73.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Unless stated otherwise or context requires otherwise, all figures from or derived from the Audited Consolidated Financial Statements of the Company are in decimals and have been rounded off to two decimal points. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Our Statutory Auditors have provided no assurance or services related to any prospective financial information in this Preliminary Placement Document.

Non-GAAP Measures

We have included certain non-GAAP measures such as EBITDA, EBITDA Margin, Interest Coverage Ratio, Profit After Tax Margin, Net Debt, Debt to Equity, Return on Equity and Return on Capital Employed (together, "**Non-GAAP Measures**" and each, a "**Non-GAAP Measure**"), presented in this Preliminary Placement Document are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures 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.

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 management believes that such Non-GAAP Measures provide investors with additional information about our performance, as well as ability to incur and service debt and make capital expenditures and are measures commonly used by investors, securities analysts, and others to evaluate the operational performance of the information technology businesses, many of which provide such Non-GAAP Measures and other statistical and operational information when reporting their financial information. The Non-GAAP Measures described herein are not a substitute for Ind AS measures of earnings and may not be comparable to similarly titled *measures* reported by other companies due to differences in the way these measures are calculated.

In addition, you should note, that other companies in the same industry as ours may calculate and present these data in a different manner and, therefore, you should use caution in comparing our data with data presented by other companies, as the data may not be directly comparable. Also, please refer to the section titled "*Risk Factors*

– *Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Preliminary 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 69.

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 Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Industry Research Report on Infrastructure & Construction Industry*" dated September 24, 2024 prepared by CARE Analytics and Advisory Private Limited ("**CARE Report**"), which is a report commissioned and paid for by us, exclusively in connection with the Issue.

The CARE Report contains the following disclaimer:

"*This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.*

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CareEdge Research is also not responsible for any errors in transmission and specifically states that it, or its Directors, employees, parent company – CARE Ratings Ltd., or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.

CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report."

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*" and "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" on pages 184, 43 and 91, respectively, and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CARE Report. Data from these sources may also not be comparable.

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 information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose*" on page 69.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "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. All 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, revenue, profitability (including, without limitation, any financial or operating projections or forecasts), business strategies and dividend policy of our Company and the industry in which we operate, and other matters discussed in this Preliminary Placement Document are forward-looking statements.

These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company or any third party) are based on our current plans, estimates, presumptions and expectations are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

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

- We bid for engineering, procurement and construction projects through a competitive bidding process. We may not qualify or win such projects, which could adversely affect our business prospects, cash flows and results of operations;

- Our projects are exposed to various implementation and other risks and uncertainties which may adversely affect our business, results of operations financial condition and cash flows;

- Costs incurred by us towards completing a project could vary substantially from the assumptions used by us at the time of preparing the underlying bid. If we are unable to recover certain or all of the additional expenses incurred during the project, our financial condition, results of operation and cash flows may be adversely affected;

- We generated a portion of our revenue from operations from jurisdictions outside India. Any adverse events affecting these jurisdictions could have an adverse impact on our revenue from operations;

- We are dependent on third party suppliers for manufacturing our products and for executing 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 operations, cash flows and financial performance;

- Our business and revenues are significantly dependent on contracts awarded by governmental authorities and other entities owned and controlled by the respective governments in the jurisdictions where we operate. Any adverse changes in the government policies including reduction in government spending toward infrastructure or budgetary cuts may lead to our contracts being foreclosed, terminated, restructured or renegotiated, or reduce opportunities which may have a material impact on our business, cash flows, financial condition and results of operations.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 43, 184, 135 and 91, respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income 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.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the 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 Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, the BRLMs nor any of their respective 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 materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent 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 limited liability company incorporated under the laws of India. Few of our Directors, and all of our Key Managerial Personnel and members of the Senior Management named in this Preliminary Placement Document, are residents of India and a significant portion of the assets of our Company 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 Section 13 and Section 44A, respectively, of the Civil Code. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;

2. where the judgment has not been given on the merits of the case;

3. 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;

4. where the proceedings in which the judgment was obtained were opposed to natural justice;

5. where the judgment has been obtained by fraud; and

6. where the judgment sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil 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 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 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 following territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Code by the Government: the United Kingdom; Aden; Fiji; Republic of Singapore; Federation of Malaysia; Trinidad and Tobago; New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa; Hong Kong; Papua New Guinea; Bangladesh; and 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 Code. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign 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, any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. 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 the period indicated with respect to the exchange rates between the Rupee and U.S. Dollar, for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. 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.

(₹ per US$)

	Period end(1)	**Average(2)**	**High(3)**	**Low(4)**
Fiscal ended^				
March 31, 2024	83.38	82.79	83.60	81.69
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Month ended^				
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
May 30, 204	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68

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

Notes:

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year 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.

Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places.

^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. The RBI/ FBIL reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Preliminary 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 Preliminary 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 Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary 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 made thereunder. Notwithstanding the foregoing, terms used in the section "Industry Overview", "Taxation", "Legal Proceedings" and "Financial Information" on pages 135, 267, 278 and 290, respectively, shall have the meaning given to such terms in such sections.

General terms

Term	Description
"our Company" or "the Company" or "the Issuer" or "KEC"	KEC International Limited, a company incorporated in India under the Companies Act, 1956
"the Group" or "us" or "we" or "our"	KEC International Limited together with its Subsidiaries and jointly controlled operations, on a consolidated basis, unless otherwise specified or the context otherwise requires

Company related terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, as disclosed in the section titled "*Board of Directors and Senior Management*" on page 213
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company, its branches, jointly controlled operations and our Subsidiaries as at and for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024 prepared in accordance with Ind AS, which comprises the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the statement of changes in equity, and notes to the consolidated financial statements, including a summary of material/significant accounting policies and other explanatory information, as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
"Auditors" or "Statutory Auditors"	The current statutory auditors of our Company, Price Waterhouse Chartered Accountants LLP
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company or a committee thereof
Chairman	The chairman of our Company being Harsh Vardhan Goenka
Managing Director and Chief Executive Officer	The managing director and chief executive officer of our Company, namely, Vimal Kejriwal
Chief Financial Officer	The chief financial officer of our Company, namely Rajeev Aggarwal
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Suraj Eksambekar
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, as disclosed in the section titled "*Board of Directors and Senior Management*" on page 213
CARE Report	Report titled "*Industry Research Report on Infrastructure & Construction Industry*" dated September 24, 2024 prepared by CARE Analytics and Advisory Private Limited, commissioned and paid for by us, exclusively in connection with the Issue
Director(s)	Director(s) on the Board of our Company, unless otherwise specified
Direct Subsidiaries	The direct subsidiaries of our Company, as on date of this Preliminary Placement Document, as disclosed in the section titled "*Organisational Structure of our Company*" on page 223. For the purpose of the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results, direct subsidiaries would mean subsidiaries as at and during the relevant fiscal year
Equity Shares	The equity Shares of our Company of face value of ₹ 2 each

Term	Description
Independent Director(s)	The non-executive, independent director(s) of our Company, as disclosed in the section titled "*Board of Directors and Senior Management*" on page 213
"Key Managerial Personnel" or "KMP(s)"	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, as disclosed in the section titled "*Board of Directors and Senior Management*" on page 213
Material Subsidiaries	The material subsidiaries of our Company, namely, SAE Towers Holdings LLC and KEC Investment Holdings
"Memorandum of Association" or "Memorandum" or "MoA"	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in the section titled "*Board of Directors and Senior Management*" on page 213
Non-Executive Director(s)	The non-executive directors on our Board comprising non-independent and independent directors of our Company, as disclosed in the section titled "*Board of Directors and Senior Management*" on page 213
Promoter	The promoter of our Company in terms of the SEBI ICDR Regulations, and the Companies Act, 2013, namely, Harsh Vardhan Goenka
Promoter Group	The entities constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	The registered office of our Company, located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
"Registrar of Companies" or "RoC"	The registrar of companies, Maharashtra at Mumbai
Risk Management Committee	The risk management committee of our Company, as disclosed in the section titled "*Board of Directors and Senior Management*" beginning on page 213
Senior Management	Members of the senior management of our Company as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in the section titled "*Board of Directors and Senior Management*" on page 213
Shareholders	The holder(s) of Equity Shares from time to time, unless otherwise specified in the context thereof
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as disclosed in the section titled "*Board of Directors and Senior Management*" on page 213
Step-Down Subsidiaries	The step-down subsidiaries of our Company, as on date of this Preliminary Placement Document, as disclosed in the section titled "*Organisational Structure of our Company*" on page 223 For the purpose of the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results, step-down subsidiaries would mean subsidiaries as at and during the relevant fiscal year
Subsidiaries	Collectively, our Direct Subsidiaries and Step-Down Subsidiaries
Unaudited Consolidated Financial Results	The unaudited consolidated financial results of our Company, for the three month period ended June 30, 2024 and June 30, 2023

Issue related terms

Term	Description
"Allocated" or "Allocation"	The allocation of Equity Shares following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations
"Allot" or "Allotment" or Allotted"	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bidder(s)	Any prospective investor, being an Eligible QIB who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
"Bidding Period" or "Issue Period"	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids including any revision and/or modifications thereof
"Book Running Lead Managers" or "BRLMs"	ICICI Securities Limited and JM Financial Limited
"CAN" or "Confirmation of Allocation Note"	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price, and requesting payment

Term	Description
	for the entire applicable Issue Price for all the Equity Shares Allocated to such Eligible QIBs
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about [•], 2024
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the BRLMs
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPI(s)	Foreign portfolio investors that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIB(s)	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law.
Escrow Account	A non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the Application Amount shall be deposited by Eligible QIBs and refunds, if any, shall be remitted to unsuccessful Bidders as set out in the Application Form
Escrow Bank	ICICI Bank Limited
Escrow Agreement	The escrow agreement dated September 24, 2024 entered into amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the Issue
Committee of Directors	The committee of our Board of Directors constituted pursuant to the resolution passed by our Board on July 26, 2024, to facilitate the Issue
Floor Price	The floor price ₹ 976.64 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the floor price in accordance with a special resolution passed by the Shareholders at the annual general meeting held on August 22, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Gross Proceeds	The gross proceeds from the Issue aggregating to ₹ [●] crores
Issue	The offer, issue and Allotment of [•] Equity Shares each at a price of ₹ [•] per Equity Share, including a premium of ₹ [•] per Equity Share, aggregating to ₹[●] crores pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[•] the last date up to which the Application Forms and the Bid Amount shall be accepted by our Company (or the BRLMs, on behalf of our Company)
Issue Opening Date	September 24, 2024, the date on which the acceptance of the Application Forms and the Bid Amount shall have commenced by our Company (or the BRLMs, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ [•]
Issue Size	The aggregate size of the Issue, up to [•] Equity Shares aggregating up to ₹ [●] crores
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated September 24, 2024 entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the gross proceeds of the Issue, after deducting fees, commissions and expenses of the Issue
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The net proceeds from the Issue, after deducting expenses of the Issue
Pay-In Date	Last date specified in the CAN for the payment of application monies by Bidders in the Issue
Placement Agreement	The placement agreement dated September 24, 2024 between our Company and the BRLMs
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document dated September 24, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
"QIBs" or "Qualified Institutional Buyers"	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations

Term	Description
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	September 24, 2024 which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue
Stock Exchanges	Together, BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue
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 authorised or obligated by law to remain closed in Mumbai, India

Conventional and general terms/abbreviations

Term	Description
AED	United Arab Emirate Dirham
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Civil Code	The Indian Code of Civil Procedure, 1908, as amended
“Companies Act” or “Companies Act, 2013”	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Companies Act, 1956	Erstwhile, Companies Act, 1956 along with the relevant rules issued thereunder
Competition Act	The Competition Act, 2002, as amended
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CrPC	The Code of Criminal Procedure, 1973, as amended
CSR	Corporate social responsibility
CY	Calendar year
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
DIN	Director Identification Number
EBITDA	EBITDA is calculated as profit before exceptional items and tax plus depreciation and amortization expense plus interest expense less other income.
EBITDA Margin	EBITDA Margin is calculated as EBITDA divided by revenue from operations.
EGM	Extraordinary general meeting
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FC-GPR	Foreign currency gross provisional return
“Financial Year” or “Fiscal Year” or “Fiscal” or “FY”	A period of 12 months ending March 31, unless otherwise stated
FLA	Foreign liabilities and assets

Term	Description
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
"FPI" or "Foreign Portfolio Investor(s)"	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
"GoI" or "Government"	Government of India
GST	Goods and Services Tax
IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards as notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Income-tax Act	The Income-tax Act, 1961, as amended
IT	Information Technology
IT Act	The Information Technology Act, 2000, as amended
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Net worth	Net Worth is calculated as share capital plus other equity (excluding other comprehensive income)
"Non-Resident Indian(s)" or "NRI"	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
ODI Regulations	The Foreign Exchange Management (Overseas Investment) Regulations, 2022, read with the Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004 and Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015
"P.A." or "p.a."	Per annum
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax for the respective period / year
PF	Provident fund
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
"Rs." or "Rupees" or "Indian Rupees" or "INR" or "₹"	The legal currency of India
SAARC	South Asian Association for Regional Cooperation
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S. GAAP	Generally accepted accounting principles in the United States of America

Term	Description
"U.S.$" or "USD" or "U.S. dollar"	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
"USA" or "U.S." or "United States"	The United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, 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
ABS	Automatic Block Signaling
BIM	Building Information Modelling
BLT	Ballastless track
CFT	Cross functional team
CIS	Commonwealth of Independent States
DLP	Defect Liability Period
DPR	Daily progress report
EPC	Engineering, procurement and construction
ESG	Environment, social and governance
KECARES	KEC Employee CARES
MT	Metric tons
NITs	Notification Inviting Tenders
OHE	Over-head electrification
OHE	Overhead equipment
OPGW	Optical ground wire
PCH	Profit centre head
ROBs	Railway Over Bridges
SBUs	Strategic business units
T&D	Transmission and Distribution
TCAS	Train Collision Avoidance System

SUMMARY OF BUSINESS

We are among the prominent global engineering, procurement and construction ("**EPC**") players in India *(Source: CARE Report)* engaged in project execution and providing customized solutions right from design and engineering, manufacturing, procurement, and execution and commissioning of projects. Our track record of success across diverse global projects is testament to our robust design, engineering, manufacturing, procurement, execution, and project management capabilities.

We are part of the RPG Group, a globally diversified business conglomerate with operations in the areas of infrastructure, automotive tyres, information technology, pharmaceuticals, energy, plantations, and venture capital, with a market capital of over US$ 7 billion as at September 13, 2024.

We are engaged in the following businesses:

*Transmission and Distribution ("**T&D**")*. We provide comprehensive end-to-end solutions for building transmission lines and substations and manufacture transmission towers, poles, substation structures, and hardware. We are one of the largest power transmission EPC companies globally *(Source: CARE Report)* with seven decades of experience. We also operate four tower testing stations strategically located in India and Brazil allowing us to offer complete testing solutions for transmission towers of up to 1,200 kV. In Fiscal 2024, we recorded a substantial increase in revenues from our T&D business, and also witnessed a substantial growth in our Order Book, with an order intake of ₹ 10,972.87 crore across India, Middle East, Americas, SAARC, Africa, East Asia Pacific, Europe, Australia and Commonwealth of Independent States ("**CIS**").

Civil. Over the years, we have diversified our capabilities in civil infrastructure and are currently engaged in developing large scale infrastructure projects that include buildings and factories, public spaces, water pipelines and water treatment plants, data centers, and logistics and warehouses. In Fiscal 2024, our civil business secured orders of ₹ 4,217.08 crore across multiple sectors from a diverse range of customers, underscoring our reputation as a reliable construction partner in the industry. We are committed to diversify our civil business across various sectors and capabilities, which will help us to further grow our margins in the civil business.

Railways. Our railway business provides end-to-end EPC services for track laying, over-head electrification ("**OHE**"), civil infrastructure as well as for technology-intensive segments such as signaling and telecommunications, automatic block signaling ("**ABS**"), tunnel ventilation and train collision avoidance systems ("**TCAS**"). We continue to build our capabilities in line with the technology evolution of the railway business. During Fiscal 2024, we secured orders of ₹ 1,077.53 crore. Our railway business has also successfully forayed into international market by securing a large signaling and telecommunication project in Bangladesh. We are actively pursuing opportunities in new markets of Middle East and Africa and forging partnerships in the region by leveraging our international presence.

Urban Infrastructure. We have established a strong footprint in the urban infrastructure business which focusses on EPC for viaducts, stations, depots, track works – ballasted and ballastless, and electrification and power supply systems for metro rail and regional rapid transit systems. We are executing projects in Delhi, Kochi, Chennai, Meerut, Bhopal, Ahmedabad and Mumbai. Our execution capabilities ensure that projects of national importance such as Delhi Meerut Rapid Rail and Kochi Metro project were commissioned on time. These projects stand as testament to our engineering capabilities. As we continue to navigate the dynamic landscape of metro projects across the nation, we remain committed in our pursuit of excellence, innovation, and unwavering dedication to delivering world-class infrastructure solutions and reaffirm our position as a leader in the urban infrastructure domain. Revenue from this business is allocated to either the civil or railways business based on the specific nature of each project.

Oil and Gas. Our oil and gas business focusses on providing EPC services for cross-country oil and gas pipelines, sectionalizing valve stations, intermediate pigging stations, receiving and despatch terminals, and composite station work projects. We are also laying iron ore slurry pipeline and water pipelines across India. Our oil and gas business has secured its first international project for laying a gas pipeline in Benin, Africa.

Cables. We specialize in manufacturing power cables, control and instrumentation cables, railway contact and catenary conductors, signaling and quad cables, telecom cables and special cables for a wide range of applications and offering turnkey cabling solution across India and international markets. Our cables are sold under the brand "Asian Cables" which we believe are synonymous with superior quality and reliability. In Fiscal 2024, our cables business had an order intake of ₹ 1,923.00 crore.

Renewables. Our renewables business is focused on offering EPC services for green energy generation and energy evacuation projects. We are currently providing EPC services across large-scale ground-mounted solar power projects, and we are actively bidding for EPC projects for wind-based power plants, green hydrogen generation as well as hybrid energy projects. Our extensive experience in delivering large ground-mounted solar projects combined with longstanding relationships with utilities, grants us unique expertise in providing comprehensive concept-to-commissioning integrated solutions for green energy generation and evacuation projects. Our in-house manufacturing capacity of module mounting structures and special solar cables, combined with a strong emphasis on accelerated project execution, enable us to deliver greater value to our customers.

The table below sets forth our revenue from operations across our strategic business units ("**SBUs**") and other operating revenue for Fiscal 2022, 2023 and 2024:

Business	**Fiscal 2022**		**Fiscal 2023**		**Fiscal 2024**	
	Amount (₹ crore)	**Percentage of Revenue from Operations (%)**	**Amount (₹ crore)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ crore)**	**Percentage of Revenue from Operations (%)**
T&D	6,721.60	48.91	8,557.77	49.52	10,322.79	51.84
Civil	1,887.67	13.74	3,303.25	19.11	4,266.71	21.43
Railways	3,803.19	27.68	3,660.38	21.18	3,058.09	15.36
Smart Infra(1)	51.26	0.37	-	-	-	-
Oil & Gas	175.49	1.28	338.42	1.96	345.59	1.74
Cables	859.07	6.25	1,132.24	6.55	1,191.86	5.98
Renewables(2)	15.51	0.11	4.74	0.03	410.30	2.06
Other operating revenue	228.47	1.66	284.91	1.65	318.83	1.60
Total	**13,742.26**	**100.00**	**17,281.71**	**100.00**	**19,914.17**	**100.00**

Note:

(1) *Revenue from operations from Smart Infra starting from Fiscal 2023 and 2024 is recognized under the Railways SBU.*

(2) *During Fiscal 2022, 2023 and 2024, revenue from renewables in financial statements was referred as Solar SBU.*

We have strong manufacturing capabilities with eight strategically located manufacturing facilities, as of June 30, 2024. We operate three manufacturing facilities in India, and one manufacturing facility each in Dubai, Mexico and Brazil with manufacturing capacity of approximately 434,000 metric tons ("**MT**") per annum globally for transmission towers, poles, hardware and fittings, structures for sub-station, railways, and solar, shutters, formwork and scaffolding. We also have two manufacturing facilities in Vadodara and Mysuru for manufacturing wide range of cable products.

We undertake our operations with the aim of transforming lives by building sustainable world class infrastructure. We incorporate sustainability across our operations, and we were ranked first in India amongst the companies in the engineering and construction sector by both S&P Global DJSI and Morningstar Sustainalytics. Our environment, social and governance ("**ESG**") initiatives include reducing waste, water consumption intensity, sustainable energy consumption and reducing greenhouse gas emissions across our projects and manufacturing facilities.

We have witnessed an increase in our Order Book position over the last three Fiscals, which increased from ₹ 23,715.54 crore as of March 31, 2022 to ₹ 29,644.46 crore as of March 31, 2024 and was ₹ 32,714.75 crore as of

June 30, 2024, contributed primarily from our T&D, civil, and railways SBUs. Further, 74.48% of our Order Book, as of June 30, 2024 was from domestic customers while 25.52% was from international customers.

We have also established a track record of profitability over the last three Fiscals. Our revenue from operations have been consistently increasing and grew at a CAGR of 20.38% between Fiscal 2022 and Fiscal 2024 while our EBITDA also witnessed a healthy growth at CAGR of 15.94% from ₹ 903.50 crores during Fiscal 2022 to ₹ 1,214.57 crores during Fiscal 2024 and was ₹ 270.37 crores in the three months ended June 30, 2024.

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 Three months Ended June 30, 2024**
	(₹ crore, unless otherwise stated)			
Order Book[(1)]	23,715.54	30,552.69	29,644.46	32,714.75
- India	14,944.98	20,990.52	22,155.25	24,367.45
- International	8,770.56	9,562.17	7,489.22	8,347.30
Order Book Intake[(2)]	17,202.78	22,378.10	18,101.55	7,663.62
Revenue from Operations	13,742.26	17281.71	19,914.17	4,511.89
Profit After Tax	332.08	176.03	346.78	87.58
Profit After Tax Margin[(3)]	2.42%	1.02%	1.74%	1.94%
EBITDA[(4)]	903.50	829.73	1,214.57	270.37
EBITDA Margin [(5)]	6.57%	4.80%	6.10%	5.99%
Net Debt[(6)]	2,869.19	3,123.60	3,793.73	4,231.45
Net Debt to Equity[(7)]	0.79	0.83	0.93	1.11
Return on Equity (%)[(8)]	9.52%	4.76%	8.82%	2.12%*
Return on Capital Employed (%)[(9)]	12.16%	10.45%	14.18%	3.26%*

** On an unannualized basis.*

Notes:

(1) Order Book is calculated as expected revenues from uncompleted portions of contracts.

(2) Order Book Intake is calculated as actual order intake year-on-year.

(3) Profit after tax margin is calculated as profit after tax divided by revenue from operations.

(4) EBITDA is calculated as profit before exceptional items and tax plus depreciation and amortization expense plus interest expense less other income.

(5) EBITDA Margin is calculated as EBITDA divided by revenue from operations.

(6) Net Debt is defined as debt less cash and cash equivalents. Debt is defined as non-current and current borrowings (excluding derivative and financial guarantee contracts), and includes interest accrued thereon and lease liabilities.

(7) Net Debt to Equity is calculated as net debt divided by total equity.

(8) Return on Equity is calculated as is calculated as profit after tax divided by average shareholder's equity.

(9) Return on Capital Employed is calculated as earnings before exceptional items, interest and taxes divided by (tangible net worth (Net worth less intangible asset less goodwill) +total debt (non-current borrowing plus current borrowing plus interest accrued but not due on borrowings) + deferred tax liability).

Industry Outlook

India stands out as the fastest-growing economy among the major economies with real gross domestic product of ₹ 160.06 trillion in Fiscal 2023 and estimated to emerge as the third-largest economy globally by 2027. The infrastructure sector continues to play a major role with 3.50% of gross domestic product contribution with ₹ 52,962.00 billion investments in the infrastructure industry between Fiscal 2024 to Fiscal 2028. There is a growing organic demand for power, along with significant opportunities emerging in solar energy, wind power, and green hydrogen sectors. The investments in the power generation segment are expected to remain high during Fiscal 2024 and Fiscal 2028, with estimated investments of ₹ 14.4 trillion. The solar and wind combined will attract an investment of around ₹ 10.9 trillion, accounting for 76% of total future investments. With sustained investments in the renewable sector, it is becoming more conducive for EPC players. There is a growing focus on technology-enabled power quality improvement in the energy sector, driven by the need for more efficient, reliable, and sustainable power systems. This shift presents several key opportunities for high voltage, digital substations (a modern version of traditional electrical substations that uses digital technology to monitor, control, and manage power distribution equipment), STATCOM (a device that helps regulate voltage and improves the stability of power grids) and HVDC (a system that transmits electricity over long distances). There are total of 742 transmission and distribution projects under planning stage split across India amounting to ₹ 816.83 billion. *(Source: CARE Report)*

In the Union Budget 2024-2025, the government has allocated ₹ 2.7 trillion towards railways. Government initiatives like Mission Raftaar, the Bharat Viksit Railway Program, and the PM-Gati Shakti National Master Plan are key to reshaping India's railway network. These programs aim to enhance speed, capacity, safety, and connectivity across critical corridors, leading to opportunities in Speed Upgradation, Train Collision Avoidance System under KAVACH and Automatic Block Signalling, addressing the growing needs of passengers and freight logistics. Efforts in electrification, the development of Dedicated Freight Corridors, and the implementation of advanced technologies like the Kavach automated train protection system reflect a commitment to sustainability and improved operational efficiency. The government is also prioritizing areas such as overhead electrification, track laying, signaling and telecommunication, and tunnel ventilation.*(Source: CARE Report)*

The Indian government heavily prioritizes infrastructure development. Government-led initiatives such as 'Make in India,' 'Smart Cities Mission,' and 'Atmanirbhar Bharat' focus on infrastructure development, attracting investments, and promoting economic growth. The government has also helped the growth of urbanization through several schemes and projects, including the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and the Pradhan Mantri Awas Yojana (Urban). Such constant government support is likely to foster more investment in the infrastructural domain in the coming years. India's rapid urbanization fuels demand for new housing, commercial spaces, and improved urban infrastructure like metro networks, waste management systems, and power grids. Further, the construction sector is expected to grow from ₹ 3,922 billion in Fiscal 2023 to ₹ 5,619 billion in Fiscal 2028 at a CAGR of 7.5%. The industry is expected to be driven by increased government spending and increase in residential real estate with growing population of India. *(Source: CARE Report)*

India is expected to see significant investment in oil and gas pipeline infrastructure, with over more than ₹ 400,000 million over the next 5 years. The government aims to achieve the target of 34,000 kms of natural gas pipelines with a focus on improving connectivity to remote regions, boosting domestic production, and reducing reliance on imports. (*Source: CARE Report*)

The global wire and cables market was valued at US$ 221.03 billion in 2023 and is expected to reach US$ 311.22 billion by 2028, growing at a CAGR of 7.1% during this period. The Indian wire and cables market was valued at US$ 17.70 billion in 2023 and is expected to reach US$ 27.80 billion by 2028, growing at a CAGR of 9.5% during this period, primarily driven by government infrastructure investments, green energy initiatives, and rising demand in real estate and industrial sectors. *(Source: CARE Report)*

OUR STRENGTHS

Well Diversified across Businesses

We are a global EPC major focused on providing integrated turnkey solutions. *(Source: CARE Report)* Our EPC offerings are broadly divided into transmission and distribution, buildings – residential and commercial, factories, water, datacenter, railways, urban infrastructure, renewables, and oil & gas. We also manufacture cables and transmission towers.

Within our T&D business, our integrated turnkey solutions include setting up of transmission lines and large size substations, (air, gas and hybrid substations), underground cabling, and technology intensive segments such as digital substations and high voltage direct current ("**HVDC**") converters. We have a diversified customer base that includes government agencies, public sector undertaking, state utilities, private developers and power producers.

In the buildings and public spaces category, our portfolio covers high-rise residential and commercial buildings, airport terminals, hospitals, government housing and institutional projects. We are also executing composite construction projects, using precast technology. In the industrials sector, we are building factories across cement, metals, minerals, chemicals, auto ancillaries, and fast moving consumer goods segments. We have also developed offerings in constructing data centres. We are executing projects under the Jal Jeevan Mission initiative of the Government of India under which we are constructing water pipelines, elevated storage reservoirs, and water treatment plants.

In the railways business, we have offerings across OHE, doubling and tripling of tracks and new railway lines, civil infrastructure works such as road over bridge, bridges, tunnels, stations, and platforms, and establishing signaling and telecommunication systems, traction substations, and tunnel ventilation. We are also executing projects in the technology intensive fields of TCAS and ABS.

In the urban infrastructure sector, we execute EPC projects in metro viaducts, stations, depots, and workshops. We also undertake ballastless track ("**BLT**") projects, OHE electrification, power supply stations, and supervisory control and data acquisition ("**SCADA**") works.

Our oil and gas business constructs cross-country pipelines and stations and executes composite works in refineries. We are also executing an iron ore slurry pipeline project for an iron and steel player in India.

We manufacture cables and offer turnkey cabling solutions across India and international markets. Our product portfolio includes power cables, railway cables and conductors, control and instrumentation cables, telecom cables and special cables such as solar, mining, hybrid, flat submersible, EV charging, green, cathodic protection, concentric cables and others. We also supply transmission towers, poles, hardware and fittings, structures for substation, railways, and solar, shutters, formwork and scaffolding.

Diversification in the infrastructure business is crucial for mitigating risks and ensuring steady growth. Our strategy of diversifying our offerings has helped us to protect against market volatility and economic downturns, as a diverse portfolio is less likely to be affected uniformly by adverse events. Additionally, diversification has allowed us to capitalize on different growth rates across sectors and regions, which has led to more opportunities for expansion and profitability. It has also enabled the leveraging of expertise and resources across projects, leading to operational efficiencies and innovation. This has resulted in a more resilient business model that supports long-term sustainability and success.

Diversified Geographical Footprint

Our diversified footprint spans across six continents, which includes EPC projects and supply of towers and cables. We have a diversified Order Book of ₹ 32,714.75 crore across our SBUs out of which 25.52% was from international customers as of June 30, 2024. We have eight manufacturing facilities across India, Dubai, Brazil and Mexico with cumulative capacity of approximately 434,000 MT per annum for transmission towers, poles, hardware and fittings, structures for substation, railways, and solar, shutters, formwork and scaffolding. Our robust presence extends across South Asia, the Middle East, East Asia Pacific, CIS, Africa, Oceania, and the Americas. We also offer turnkey cabling solution across India and international markets.

Our tower manufacturing business boasts of global clientele including within the Americas, Europe, Australia, Middle East and Africa. Our manufacturing facility in Dubai, UAE caters to the demand in the Middle East. SAE Tower, our wholly-owned Subsidiary in the Americas, manufactures a wide range of products, including steel lattice transmission towers, poles, structures for substation, hardware and fittings.

The table below sets forth details of our revenue generated from our SBUs for India and international markets and other operating revenue for Fiscal 2022, 2023 and 2024:

Business	**Fiscal 2022**		**Fiscal 2023**		**Fiscal 2024**	
	Amount	**Percentage of Revenue from Operations**	**Amount**	**Percentage of Revenue from Operations**	**Amount**	**Percentage of Revenue from Operations**
	(₹ crore)	**(%)**	**(₹ crore)**	**(%)**	**(₹ crore)**	**(%)**
T&D	6,721.60	48.91	8,557.77	49.52	10,322.79	51.84
- India	2,496.50	18.17	2,362.77	13.67	3,382.77	16.99
- International	4,225.10	30.75	6,195.00	35.85	6,940.02	34.85
Civil	1,887.67	13.74	3,303.25	19.11	4,266.71	21.43
- India	1,887.67	13.74	3,303.25	19.11	4,266.71	21.43
- International	-	-	-	-	-	-
Railways	3,803.19	27.68	3,660.38	21.18	3,058.09	15.36
- India	3,803.19	27.68	3,660.38	21.18	3,058.09	15.36
- International	-	-	-	-	-	-
Smart Infra(1)	51.26	0.37	-	-	-	-
- India	51.26	0.37	-	-	-	-
- International	-	-	-	-	-	-
Oil and Gas	175.49	1.28	338.42	1.96	345.59	1.74
- India	175.49	1.28	338.42	1.96	345.59	1.74
- International	-	-	-	-	-	-
Cables	859.07	6.25	1,132.24	6.55	1,191.86	5.98
- India	744.74	5.42	1,009.05	5.84	1,030.90	5.18
- International	114.33	0.83	123.19	0.71	160.96	0.81
Renewables(2)	15.51	0.11	4.74	0.03	410.30	2.06
- India	15.50	0.11	4.74	0.03	410.30	2.06
- International	0.01	0.00	-	-	-	-
Other Operating Revenue	228.47	1.66	284.91	1.65	318.83	1.60
Total	**13,742.26**	**100.00**	**17,281.71**	**100.00**	**19,914.17**	**100.00**
- India	**9,402.82**	**68.42**	**10,963.52**	**63.44**	**12,813.19**	**64.34**
- International	**4,339.44**	**31.58**	**6,318.19**	**36.56**	**7,100.98**	**35.66**

Note:

(1) Revenue from operations from Smart Infra starting from Fiscal 2023 and 2024 is recognized under the Railways SBU.

(2) During Fiscal 2022, 2023 and 2024, revenue from renewables in financial statements was referred as Solar SBU.

Ability to Execute Complex Projects in Difficult Terrains, Climates and Politically Volatile Regions

Our strong project management and execution capabilities have enabled us to successfully execute projects in extreme climatic conditions, difficult topographies, hostile terrains and volatile countries / regions.

Our projects span across raging rivers such as the Nile in Egypt, Ganges in India, Padma in Bangladesh, mountains in the Himalayas, as well as the snowfields of Georgia and Afghanistan. We have built substations at Kargil-Drass-Khalsti-Leh under sub-zero temperatures at high altitude. We have successfully executed projects in the remote geographies, hilly terrains, and harsh weather conditions in Northeast India, tribal belts of Africa, landslide prone regions and dense biological corridors of Bhutan. We have delivered projects in the vast deserts of Rajasthan, Middle East, and West Africa that are subject to frequent sandstorms and moving sand dunes. We have executed pipeline and underground cabling works involving significant rock excavations and drilling under rivers. We are executing elevated metro projects in urban landscapes, intersecting heavily congested roads, in proximity to both residential and commercial zones.

We have also undertaken projects in politically unstable regions such as Iraq and Afghanistan. The projects were executed in security sensitive and geo-politically challenging areas. Frequent insurgencies and closure of customs and borders posed serious challenges from time to time.

Geographically well-spread Manufacturing Capabilities

Our strategically located manufacturing facilities, spread across key local markets, provide us significant competitive advantage. Our operations are backward integrated into manufacturing of supplies to enhance supply chain reliability, improve quality, and drive cost advantage in the market.

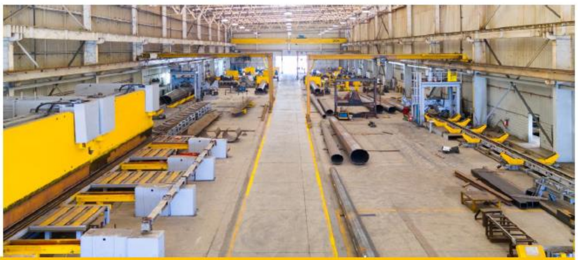
In the T&D business, we manufacture transmission towers, monopoles, substation structures, hardware and fittings, all of which comprise a significant portion of the overall project costs. We are also establishing capacity for manufacturing aluminum power conductors, which will further enhance our backward integration and control over most of the supplies for a transmission line project. The diverse portfolio of aluminium conductors, including ACSR, Al-59, AAAC and ACSS will enable us to cater to varied sector requirements and drive significant growth in cables, power and T&D businesses. Additionally, our tower manufacturing factories are geographically well spread across India, UAE, Brazil and Mexico providing us competitive advantage in the respective regional markets.

For our railways business, we manufacture railway cables, railway conductors, signaling cables, contact wires, feeder, jumper, and dropper wires, catenary and contact conductors, quad cables and overhead electrification structures in our manufacturing facilities for transmission and distribution structures. With our backward integration capabilities, we have not only gained greater control over our supply chain, but also enhanced our operational efficiency. Furthermore, to meet the demands of our growing civil business, we have started manufacturing shutters, formworks and scaffoldings. We also manufacture structures for mounting solar cells for ground mounted solar power projects.

In the cables business, we have two integrated manufacturing facilities at Vadodara, Gujarat and Mysuru, Karnataka. We have also set up a PVC compound manufacturing facility in Fiscal 2024, leading to lower costs, better quality, and improved supply chain control. Being a strategic enabler for our other businesses, this move has enabled us to improve the performance of the cables business, and simultaneously, enhance competitiveness of other businesses.

Our manufacturing portfolio not only helps in improving our competitiveness in the various EPC businesses, we undertake, but allows direct sale of these products to the customers thereby diversifying our revenues between EPC and product sales revenues. Our margins and cash conversion cycle in the product sales business are more stable than those in our EPC business.

Brazil - Tower/ Hardware Manufacturing



Mexico - Tower/ Poles Manufacturing

Deep Design and Engineering Capabilities

With over six decades of experience in undertaking EPC projects, we have developed in-house competencies to design transmission lines including towers, hybrid poles and monopoles and designing substations and renewable power projects equipped with latest design, detailing and profiling software. We have comprehensive knowledge bank of designs for transmission line towers, poles and substations.

Further, we have in-house design centers with over 400 engineers across eight centers in India, the Middle East and the Americas, as of June 30, 2024. Our engineering team leverages the use of latest design, detailing and profiling software to provide customized engineering and design solutions to our customers as per their requirement. We have adopted advanced survey methods such as light detection and ranging ("**LIDAR**"), drones, photogrammetry to ensure precise data collection. We have developed expertise in Building Information Modelling ("**BIM**") for improved efficiency and optimized cycle time in engineering.

Over the years, we have expanded our civil and railway engineering teams and developed capabilities in designing metro rail viaducts and stations, water supply networks, residential and commercial buildings and industrial factories amongst others.

Our world-class engineering and design capabilities enable us to deliver complex projects within tight timelines and budgets. We harness technology and software to deliver innovative solutions that exceed customers' expectations.

Focus on Sustainability Across our Operations

In line with our purpose, '*We transform lives by building sustainable world class infrastructure*', each of our businesses is focussed on promoting sustainable development through efficient and effective use of all forms of six integrated reporting capitals.

In the T&D business, we are building transmission lines and substations specifically designed to efficiently evacuate clean and reliable renewable energy. Further, power transmission lines ensure energy transportation in an effective and efficient manner with minimal carbon footprint. In the civil business, we are laying cross-country water pipelines to provide clean water to households. We are constructing municipal waste to energy conversion plants, flue gas desulphurisation units and other such structures that are environmentally conscious. Similarly in railways business, we are contributing towards preservation of fossil fuels through electrification of Indian Railways. We are working on enhancing safety of Indian Railways through implementation of world-class technologies. In the urban infrastructure business, we are delivering effective urban commuting solutions that contributes towards reducing pollution and minimize carbon footprint. In the oil and gas business, we are helping transport gas, crude oil, and petroleum products in an energy-efficient and environment-friendly manner. We are also constructing large solar-based power generation plants, which have one of the lowest lifecycle emissions. In our cables business, we are working on reducing transmission losses through energy-efficient cable designs and developing new products such as green cables, compliant with Restriction of Hazardous Substances and Registration, Evaluation, Authorisation and Restriction of Chemicals regulations.

We focus on incorporating sustainability in our operations, which is evident by the significant improvement in our ESG Ratings by both S&P Global DJSI and Morningstar Sustainalytics. We were ranked first in India amongst the companies in the engineering and construction sector by both S&P Global DJSI and Morningstar Sustainalytics.

The concept of sustainability is engrained in the core ethos of our operations. Over the years, we have adopted various sustainable practices which have enabled us to outperform. Certain of our ESG initiatives include investment in solar rooftop plants to fulfil our energy requirements through renewable sources; investment in energy efficient solutions for manufacturing of tower structures as well as cables; adopting new corporate governance policies and development of an in-house application for ESG data management across our factory sites. We have also established zero-based material consumption guidelines that minimize raw material usage and waste generation across our manufacturing plants and project sites. Once materials have served their initial purpose, we ensure they are repurposed or recycled rather than disposed of in landfills, keeping them within the supply chain and reducing overall waste.

Further, we are taking proactive measures to manage our water footprint, to reduce consumption and enhance water conservation. These efforts include comprehensive water mapping in our manufacturing facilities to target high-consumption areas and ensure efficient water use. All our manufacturing plants operate on a zero-discharge principle, recycling effluents and domestic wastewater through advanced treatment facilities. We have received certifications such as the water positive plant for our T&D and cable manufacturing facilities in Butibori, Maharashtra, Jabalpur, Madhya Pradesh and Vadodara, Gujarat.

Marquee Parentage with Experienced Management Team

We are part of the RPG Group, which is among the large conglomerates in India and operates various businesses across infrastructure, technology, life sciences, plantation and tyre industry. Other companies within the RPG Group include CEAT, one of India's leading tyre manufacturers; Zensar, a global technology consulting and IT services company; RPG Life Sciences, an integrated pharma company in formulations and synthetic APIs; Raychem, a technology solutions company catering to energy and infrastructure sectors and Harrisons Malayalam Limited, one of India's largest plantation companies producing tea and rubber amongst others.

Our Board of Directors, include H.V. Goenka, our Chairman and Non-Executive Director, Vimal Kejriwal, our Managing Director and CEO and Vinayak Chatterjee, our non-executive and non-independent director. Further, as a testament of our strong corporate governance practices, our Board is majorly constituted with 7 independent directors out of 10 board members currently. Our independent directors include Arvind Singh, M.S. Unnikrishnan, Neera Saggi, Nirupama Rao, Shirish Sankhe, Vikram Gandhi, and Vimal Bhandari.

Further, we have a strong management team, led by Vimal Kejriwal, our Managing Director and CEO and includes Rajeev Aggarwal, our CFO, Milind Apte, our Chief Human Resources Officer, Anand Kulkarni, Executive Director – Business Operations, Neeraj Nanda, President – Emerging Business, Ganesh Srinivasan, President – Transmission and Distribution, Nagesh Veeturi, Executive Director – Civil, Kaushal Kodesia, Executive Director – Railways, Manjit Singh Sethi – Executive Director, Cables, Mayank Agrawal, Chief Executive – Oil and Gas Pipelines.

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 Preliminary Placement Document, including the sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-Up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 43, 81, 246, 232 and 262, respectively.

Issuer	KEC International Limited
Face value	₹ 2 per Equity Share
Issue Size	Issue of [●] Equity Shares, aggregating up to ₹ [●] crores, including a premium of ₹ [●] each. A minimum of 10% of the Issue Size, i.e., at least [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs.
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 976.64 per Equity Share, calculated on the basis of Regulation 176 in chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution passed at the annual general meeting held on August 22, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Date of Board resolution authorizing the Issue	July 26, 2024
Date of Shareholders' resolution authorizing the Issue	August 22, 2024
Depositories	CDSL and NSDL
Dividend	Please refer to the sections titled "*Description of Equity Shares*" and "*Dividends*" on pages 262 and 90, respectively.
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, please refer to the sections titled "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 232, 248 and 256, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLMs.
Equity Shares issued and outstanding immediately prior to the Issue	25,70,88,370 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue procedure	This Issue is being 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 refer to the section titled "*Issue Procedure*" on page 232.
Listing	Our Company has obtained in-principle approvals from the BSE and the NSE each on September 24, 2024 under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares, to be issued pursuant to this Issue, after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant, respectively.
Lock-up	For details of the lock-up, please refer to the section titled "*Placement and Lock-up*" on page 246.

<table>
<tr><td>Transferability restrictions</td><td colspan="2">The Equity Shares Allotted pursuant to this 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. Also, please refer to the sections titled “Issue Procedure”, “Selling Restrictions” and “Purchaser Representations and Transfer Restrictions” on pages 232, 248 and 256, respectively.</td></tr>
<tr><td>Use of proceeds</td><td colspan="2">The gross proceeds from the Issue will be aggregating to approximately up to ₹ [●] crores. The Net Proceeds from the Issue, after deducting expenses of the Issue, is expected to be approximately ₹ [●] crores.

Also, please refer to the section titled “Use of Proceeds” on page 81 for further information regarding the use of the Net Proceeds.</td></tr>
<tr><td>Risk factors</td><td colspan="2">Please refer to the section titled “Risk Factors” on page 43 for a discussion of risks you should consider before investing in the Equity Shares.</td></tr>
<tr><td>Indian taxation</td><td colspan="2">For the statement of possible tax benefits available to our Company and our Shareholders and under the applicable laws in India, please refer to the section titled “Taxation” on page 267.</td></tr>
<tr><td>Closing Date</td><td colspan="2">The Allotment of the Equity Shares is expected to be made on or about [●], 2024.</td></tr>
<tr><td>Status, ranking and dividends</td><td colspan="2">The Equity Shares to be 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 with the existing Equity Shares of our Company, including rights in respect of dividends.

Our Shareholders who hold Equity Shares as on the relevant 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, 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. For further details, please refer to the sections titled “Dividends” and “Description of the Equity Shares” on pages 90 and 262, respectively.</td></tr>
<tr><td>Voting rights</td><td colspan="2">Please refer to the section titled “Description of the Equity Shares – Voting rights” on page 264.</td></tr>
<tr><td rowspan="3">Security codes/ Symbols for the Equity Shares</td><td>ISIN</td><td>INE389H01022</td></tr>
<tr><td>BSE Code</td><td>532714</td></tr>
<tr><td>NSE Symbol</td><td>KEC</td></tr>
</table>

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the applicable financial statements included in the section titled "Financial Information" beginning on page 290.

This selected financial information should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages 91 and 290, respectively.

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SUMMARY OF CONSOLIDATED BALANCE SHEET

(in ₹ crores)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	1,141.22	1,067.23	1,011.95
(b) Right-of-use assets	195.24	214.57	231.32
(c) Capital work-in progress	13.92	11.45	2.46
(d) Goodwill	272.13	268.49	249.70
(e) Intangible assets	19.68	32.52	44.68
	1,642.19	**1,594.26**	**1,540.11**
(f) Financial assets			
i. Investments	*	*	*
ii. Trade receivables	288.34	359.30	467.69
iii. Other financial assets	61.94	76.20	41.03
	350.28	**435.50**	**508.72**
(g) Deferred Tax Asset (Net)	353.66	327.31	214.13
(h) Non-current tax assets (Net)	294.06	268.03	179.43
(i) Other non-current assets	233.43	217.88	209.60
Total non-current assets	**2,873.62**	**2,842.98**	**2,651.99**
Current assets			
(a) Inventories	1,213.31	1,137.16	1,066.48
(b) Financial assets			
i. Investments	-	-	12.64
ii. Trade receivables	4,136.62	6,896.06*	5,106.10
iii. Cash and cash equivalents	205.10	281.16	207.63
iv. Bank balances other than (iii) above	68.18	63.00	54.31
v. Other financial assets	148.51	164.61	110.87
	4,558.41	**7,404.83**	**5,491.55**
(c) Contract assets	9,088.37	6,241.18*	6,092.09
(d) Current tax assets (Net)	179.89	53.16	28.42
(e) Other current assets	1,117.87	989.24	1,008.37
Total current assets	**16,157.85**	**15,825.57**	**13,686.91**
Total assets	**19,031.47**	**18,668.55**	**16,338.90**
Equity			
(a) Equity share capital	51.42	51.42	51.42
(b) Other Equity	4,044.28	3,720.00	3,568.51
Total Equity	**4,095.70**	**3,771.42**	**3,619.93**
Liabilities			
1) Non-current liabilities			
(a) Financial Liabilities			
i. Borrowings	252.86	493.16	393.26
ii. Lease liabilities	148.14	163.17	167.44
	401.00	**656.33**	**560.70**
(b) Provisions	24.56	24.12	13.74
(c) Deferred tax liabilities	-	7.21	43.80
(d) Other non-current liabilities	0.43	0.45	0.47
Total non-current liabilities	**425.99**	**688.11**	**618.71**
2) Current Liabilities			
(a) Financial liabilities			
i. Borrowings	3,559.46	2,701.29	2,469.45
ii. Lease liabilities	24.57	25.75	34.46
iii. Trade payable			

a) total outstanding dues of micro enterprises and small enterprises	167.62	171.98	154.83
b) total outstanding dues other than micro enterprises and small enterprises	9,039.36	8,216.35	6,692.50
iv. Other financial liabilities	29.69	54.17	38.73
	12,820.70	**11,169.54**	**9,389.97**
(b) Contract liabilities	1,211.49	2,620.30*	2,410.87
(c) Other current liabilities	281.36	216.76	121.96
(d) Provisions	95.15	94.44	87.80
(e) Current tax liabilities (net)	101.08	107.98	89.66
Total current liabilities	**14,509.78**	**14,209.02**	**12,100.26**
Total equity and liabilities	**19,031.47**	**18,668.55**	**16,338.90**

** Trade receivables, contract assets and contract liabilities have been reclassified in the comparative audited financial statements for Fiscal 2024.*

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(in ₹ crores, unless otherwise stated)

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations	19,914.17	17,281.71	13,742.26
Other income	52.41	31.32	13.43
Total income	**19,966.58**	**17,313.03**	**13,755.69**
Expenses			
Cost of materials consumed	8,413.69	6,969.83	6,090.81
Changes in inventories of finished goods and work-in-progress	(5.70)	98.77	(141.79)
Erection and sub-contracting expenses	7,176.82	6,552.24	4,509.15
Employee benefits expense	1,440.63	1,356.24	1,258.66
Finance costs	655.13	538.59	316.00
Depreciation and amortisation expense	185.36	161.48	157.86
Other expenses	1,674.16	1,474.90	1,121.93
Total expenses	**19,540.09**	**17,152.05**	**13,312.62**
Profit before tax	**426.49**	**160.98**	443.07
Exceptional Items	-	-	43.64
Profit after exceptional items and before tax	-	160.98	399.43
Tax expense:			
Current tax	114.10	121.74	198.58
Deferred tax	(34.39)	(136.79)	(131.23)
	79.71	**(15.05)**	**67.35**
Profit for the year	**346.78**	**176.03**	**332.08**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit obligations	2.46	(0.75)	4.16
Income tax relating to these items	(0.63)	0.29	(0.97)
Items that will be reclassified to profit or loss			
Exchange differences on transaction of financial statements of foreign operations	32.46	83.39	29.86
Net gain/(losses) on cash flow hedges	31.11	(11.04)	(2.38)
Income tax relating to these items	(10.91)	5.89	0.30
Total Other Comprehensive Income	**54.49**	**77.78**	**30.97**
Total Comprehensive Income for the year	**401.27**	**253.81**	**363.05**
Earnings per equity share (of ₹ 2 each)			
Basic (₹)	13.49	6.85	12.92
Diluted (₹)	13.49	6.85	12.92

SUMMARY STATEMENT OF CASH FLOWS

(in ₹ crores)

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT FOR THE YEAR AFTER TAX	**346.78**	**176.03**	**332.08**
Adjustments for:			
Income tax expense	79.71	(15.05)	67.35
Depreciation and amortisation expense	185.36	161.48	157.86
Profit on sale of property, plant and equipment discarded & & intangible assets derecognised	(3.26)	(4.46)	(0.98)
Loss on property, plant and equipment discarded & intangible assets derecognised	2.64	0.95	0.67
Finance costs	655.13	538.59	316.00
Interest income	(45.32)	(23.20)	(10.56)
Bad debts, loans and advances written off/written back (net)	2.17	17.66	(10.68)
Exceptional items	-	-	43.64
Allowance for bad and doubtful debts, loans and advances (net of reversal)	90.91	32.80	28.24
Mark to market (gain)/loss on forward and commodity contracts	(7.69)	15.38	(12.36)
Net unrealised exchange loss/(gain)	47.02	(46.44)	16.59
	1,006.67	**677.71**	**595.77**
	1,353.45	**853.74**	**927.85**
Changes in assets and liabilities			
Changes in working capital:			
Adjustments for (increase)/decrease in operating assets:			
Inventories	(71.90)	(46.80)	(213.09)
Trade receivables	144.68	(1,602.52)	8.30
Other financial assets	60.14	(86.09)	39.22
Contract assets	(1,645.80)	(132.38)	(1,580.48)
Other current assets	(132.73)	27.65	(311.59)
Other non-current assets	(9.30)	(18.86)	113.91
	(1,654.91)	**(1,859.00)**	**(1,943.73)**
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	807.99	1,515.27	692.48
Other current liabilities	83.88	88.14	0.58
Contract liabilities	(25.79)	220.87	308.94
Other financial liabilities	(4.19)	(4.76)	(4.90)
Provisions	2.83	14.01	21.37
	864.73	**1,833.53**	**1,018.47**
CASH FLOW GENERATED FROM OPERATIONS	**563.27**	**828.27**	**2.59**
Taxes paid (net of refunds and interest on refunds)	(252.13)	(221.54)	(286.30)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)	**311.14**	**606.73**	**(283.71)**
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)	(237.38)	(178.29)	(143.14)

Acquisition of subsidiary	-	-	(56.93)
Proceeds from sale of property, plant and equipment	3.80	15.72	1.46
Proceeds/(purchase) of short-term investments (net)	-	12.64	(11.58)
Interest received	15.70	23.42	10.58
Bank balances (including non-current) not considered as Cash and cash equivalents (net)	(5.18)	(8.69)	(5.08)
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	**(223.06)**	**(135.20)**	**(204.69)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from other than short-term borrowings	169.90	381.51	172.55
Repayments of other than short-term borrowings	(414.14)	(66.97)	(15.81)
Repayment of lease obligations	(26.61)	(30.09)	(27.15)
Increase / (decrease) in short-term borrowings (net)	852.19	(47.98)	741.28
Finance costs paid	(648.85)	(534.43)	(272.48)
Dividend paid	(77.16)	(102.85)	(102.53)
	(144.67)	**(400.81)**	**495.86**
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	**(144.67)**	**(400.81)**	**495.86**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(56.59)**	**70.72**	**7.46**
Cash and cash equivalents at the beginning of the year	281.16	207.63	199.79
Add: : Cash and cash equivalents taken over on acquisition of subsidiary	-	-	12.71
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(19.47)	2.81	(12.33)
Cash and cash equivalents at the end of the year	**205.10**	**281.16**	**207.63**
Supplemental Information	-	-	
Non Cash Transactions from Investing and Financing Activities:			
Acquisition of Right-of-Use assets	0.76	0.21	78.71

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 Preliminary 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 Preliminary 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 135, 184 and 91, respectively, as well as the financial statements, including the notes thereto, and other financial information included in "Financial Information" on page 290.

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 for Fiscals 2022, 2023 and 2024 included herein is derived from the Audited Consolidated Financial Statements, and the financial information for the three months ended June 30, 2023 and 2024 included herein is derived from the Unaudited Consolidated Financial Results included in this Preliminary Placement Document. For further information, see "Financial Information" on page 290. 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 "Industry Research Report on Infrastructure & Construction Industry" dated September 24, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE**"), appointed by us on August 9, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE 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. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable.*

INTERNAL RISK FACTORS

1. We bid for engineering, procurement and construction ("EPC") projects through a competitive bidding process. We may not qualify or win such projects, which could adversely affect our business prospects, cash flows and results of operations.

We bid for EPC projects through a competitive bidding process, where projects are awarded following competitive bidding processes and satisfaction of prescribed qualification criteria such as past experience in handling projects. In selecting contractors for major projects, clients generally limit the tender to contractors that they have pre-qualified based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength and size of previous contracts in similar projects is typically the most important selection criterion. Once prospective bidders satisfy the prequalification requirements of the tender, the project is usually awarded on the basis of price competitiveness of the bid. While we have, in the past, been awarded a number of contracts across our strategic business units ("**SBUs**"), we cannot assure you that we will continue to be awarded such contracts. Some of the new entrants may also bid at lower margins in order to win a contract.

The table below provides details of the total numbers of bids in value terms in which we participated and won in the relevant periods as set forth below:

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2023	Three months ended June 30, 2024
Bids Participated (₹ crore)	118,378.33	170,582.17	150,233.72	31,226.14	49,125.61
Bids Won (₹ crore)	17,202.78	22,378.10	18,101.55	4,496.53	7,663.62

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2023	Three months ended June 30, 2024
Percentage of Bids Won	**14.53%**	**13.12%**	**12.05%**	**14.40%**	**15.60%**

We cannot assure you that we would bid where we have been pre-qualified to submit a bid, or that our bids, if submitted, would result in projects being awarded to us. Further, in the event, we are not able to qualify on our own to bid for larger projects, we may be required to partner and collaborate with other companies in bids for such projects. If we are unable to partner with other companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for certain projects where we do not individually qualify on technical grounds, which could affect our growth plans. There can be no assurance that we would be able to meet such qualification criteria, particularly for larger or complex projects, whether independently or together with other qualified contractors as a consortium/ joint venture.

We generally incur significant costs in the preparation and submission of bids, which are onetime non-reimbursable costs. We include certain assumptions as part of the bids that we prepare. The assumptions underlying our bid are typically based on a pre-bid inspection / study that we conduct and comprise undertaking site visits along with engineers; preparing construction program and equipment list; preparing estimated bills of quantities, covering all the items required in the work (including subcontracting costs). Our pre-bidding studies are usually conducted in a short span of time, as part of our preparation and research for a potential bid by us. These assumptions may not be entirely accurate and could result in cost overruns in the projects we bid for.

In addition, the government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the projects for which we bid will be tendered within a reasonable time, or at all. We are not in a position to predict whether and when we will be awarded a new contract. Projects awarded to us may be subject to litigation by unsuccessful bidders, which may result in delay in award of the projects and/or notification of appointed dates, for the bids where we have been successful, which may result in us having to retain unallocated resources and as a result, it would adversely affect our results of operations and financial condition. Further, we may be required to incur substantial expenditure, time and resources in defending such litigation. There may be instances in future where courts or authorities may not consider our challenge favourably and any unsuccessful outcome of such proceedings may lead to termination of a contract awarded to us in future or contracts not being awarded to us despite we being the lowest bidder which in turn could have a lead to a loss of opportunity thereby having an adverse impact on our business prospectus and result of operations.

2. Our projects are exposed to various implementation and other risks and uncertainties which may adversely affect our business, results of operations financial condition and cash flows.

Our operations are subject to various risks including execution risks inherent to civil engineering and construction, commodity price fluctuations, risks attributable to the construction methodology involved, design risks, joint-venture risks, country risks, and political risks. In particular:

- we may encounter unforeseen engineering problems, disputes with workers, force majeure events and unanticipated costs due to defective design, plans and specifications;
- we may not be able to obtain adequate capital or other financing at affordable costs or obtain any financing at all to complete construction of any of our projects;
- we may not be able to provide the required guarantees under project agreements or enter into financing arrangements;
- we may experience shortages of, and price increases in, materials and skilled and unskilled labour, and inflation in key supply markets;
- geological, construction, excavation, regulatory and equipment problems with respect to operating projects and projects under construction;
- the relevant authorities may not be able to fulfil their obligation prior to construction of a project, in accordance with the relevant contracts resulting in unanticipated delays;
- the projects that we are engaged in may not receive timely regulatory approvals and/or permits for development and operation of our projects, such as environmental clearances, mining, forestry or other approvals from the central or state environmental protection agencies, mining, forestry, railway or other regulatory authorities and may experience delays in land acquisition by the government and procuring right of way and other unanticipated delays;
- delays in completion and commercial operation could increase the financing costs associated with the construction and cause our forecast budget to be exceeded;
- we may be subject to risk of equipment failure or industrial accidents that may cause injury and loss of life,

and severe damage to and destruction of property and equipment;
- other unanticipated circumstances or cost increases.

Further, we undertake complex projects in difficult terrains, it exposes us to risks inherently associated with complexity of integrating diverse construction techniques, technologies, and materials. For example, specialized equipment or unique building techniques may require specific skill sets not typically found in the existing workforce, leading to potential delays or accidents. Furthermore, unconventional designs may lack established best practices, resulting in unforeseen challenges during the construction phase, such as difficulties in logistics, site management, and quality control. Further, design-related risks also pose significant challenges in these projects, particularly when the design deviates from standard practices. Unconventional designs may not undergo rigorous testing or validation, which can lead to structural vulnerabilities or failures. Additionally, changes in design during the construction phase, often driven by unforeseen site conditions or stakeholder demands, can cause significant disruptions, impacting timelines and budgets. The complexity of coordinating with multiple disciplines such as structural, mechanical, and electrical engineering heightens the risk of misalignment between design intent and execution.

3. Costs incurred by us towards completing a project could vary substantially from the assumptions used by us at the time of preparing the underlying bid. If we are unable to recover certain or all of the additional expenses incurred during the project, our financial condition, results of operation and cash flows may be adversely affected.

The bids that we prepare for submission as part of the tender process for projects include certain underlying assumptions that include the cost of construction materials, fuel, labour, sub-contracting costs or other inputs, project duration, and construction conditions that we anticipate in connection with the projects. However, our actual expenses in executing a project may vary based on a change in any such assumptions. We are susceptible to risks including rising fuel and power costs, costs associated with construction materials such as steel and cement prices and labour costs. Further, in certain instances, the tender documentation itself may contain errors which in turn could impact our assumptions thereby resulting in increased costs. Any unexpected price fluctuations after placement of orders, shortage, delay in delivery, quality defects, or any factors beyond our control may result in an interruption in the supply of such materials and adversely affect our business, financial performance, results of operations, and cash flows.

Under our contracts with clients, we typically receive agreed amounts. Our contracts also include certain price escalation clauses under which clients allow us to claim for an increase in certain construction costs. Typically, there are two types of escalation clauses found in our contracts. The first category of clauses 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. The second category of clauses include 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 cost overruns. Further, some of our fixed-price contracts do not include any price variation or escalation clauses, in which case we bear the entire risk of price increases. Any significant deviations from the estimates or initial assumptions made by us as part our bids could adversely affect our business, financial condition and results of operations.

4. We generated a portion of our revenue from operations from jurisdictions outside India. Any adverse events affecting these jurisdictions could have an adverse impact on our revenue from operations.

We generated a substantial portion of our revenue from operations outside India. The following table sets forth our revenue from operations from various jurisdictions for periods indicated:

Geography	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)
India	9,340.03	67.97	10,869.99	62.90	12,744.14	64.00
UAE	201.23	1.46	533.52	3.09	781.24	3.92
Brazil, Mexico & USA	850.31	6.19	1,311.27	7.59	1,429.02	7.18
Geographies other than above	3,350.69	24.38	4,566.93	26.43	4,959.77	24.91
Total	**13,742.26**	**100.00**	**17,281.71**	**100.00**	**19,914.17**	**100.00**

Set forth below are the details of our order book by geography, as of the dates mentioned:

Geography	Fiscal 2022		Fiscal 2023		Fiscal 2024		Three months ended June 30, 2023		Three months ended June 30, 2024	
	Order Book (₹ crore)	Percentage of Total Order Book (%)	Order Book (₹ crore)	Percentage of Total Order Book (%)	Order Book (₹ crore)	Percentage of Total Order Book (%)	Order Book (₹ crore)	Percentage of Total Order Book (%)	Order Book (₹ crore)	Percentage of Total Order Book (%)
India	14,944.98	63.02	20,990.52	68.70	22,155.25	74.74	21,344.31	70.85	24,367.45	74.48
UAE	2,684.92	11.32	3,397.95	11.12	3,200.43	10.80	2,924.90	9.71	3,569.61	10.91
Brazil, Mexico & USA	1,289.46	5.44	1,681.36	5.50	1,760.22	5.94	1,707.99	5.67	1,823.28	5.57
Geographies other than above	4,796.18	20.22	4,482.86	14.67	2,528.57	8.53	4,147.91	13.77	2,954.41	9.03
Total	**23,715.54**	**100.00**	**30,552.69**	**100.00**	**29,644.46**	**100.00**	**30,125.10**	**100.00**	**32,714.75**	**100.00**

Our international operations are subject to risks that are specific to each country and 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 foreign trade and investment policies. An economic slowdown in these geographies/countries or tightening of laws or regulations, may have a significant adverse impact on our business, financial condition, cash flows and results of operations. Besides hostile takeover of governments of certain countries by unrecognised groups or regimes could significantly affect our ongoing projects and could impact our ability to recover amounts due to us from government agencies or authorities. For instance, projects we were undertaking in Afghanistan were impacted on account of the regime change. As a result, receivables owed to us under such projects in Afghanistan have been delayed. 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.

Further, any errors or defaults as part of the projects we execute in international jurisdictions could result in our disqualification from the project and in some instances, we may be completely prohibited from operating in such jurisdictions. To the extent that we are unable to effectively manage our global operations and risks, as we implement our strategy to enter into new markets where we do not have local knowledge and resources, we may be unable to grow or maintain our profitability, or we may be subject to additional unanticipated costs or legal or regulatory action. 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 has been no material instances where we had to face any unanticipated costs or any legal or regulatory actions on account of our international operations in the last three Fiscals and three months ended June 30, 2024, we cannot assure you that such instances will not arise in the future. As a consequence, our business, financial condition, results of operations and prospects may be adversely affected.

5. 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.

An 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.

We have faced instances in the last three Fiscals, where our credit rating have been downgraded. For example, in May 2024, or long term rating was downgraded by ICRA from AA- to A+ while our short-term rating remained unchanged to A1+. Further, CARE ratings pursuant to a letter dated September 19, 2024 downgraded our long term bank facilities from CARE AA-; Negative to CARE A+; Stable; and long term / short term facilities from CARE AA- to CARE A+; Stable / CARE A1+. Any subsequent 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.

6. We are dependent on third party suppliers for manufacturing our products and for executing 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 operations, cash flows and financial performance.

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of materials and components at acceptable prices. Our major requirements of materials include, *inter-alia*, steel, aluminium, copper and PVC resin amongst others for manufacturing of towers and cables. We depend on external suppliers, majority of which with whom we have not entered into any formal long term contracts, for our materials and typically purchase materials on a purchase order basis and place such orders with them in advance on the basis of our anticipated requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our suppliers. 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. For base metals like Aluminium, Copper, Zinc and Lead, the Company either places a firm order on the supplier or hedges its exposure on the London Metal Exchange, however, we continue to remain susceptible to the risks arising out of price fluctuations as well as import duties, which could result in a decline in our operating margins

There can be no assurance that we will be able to procure the required quantities and quality of materials commensurate with our requirements. Our raw material and component suppliers may fail to consistently deliver products of acceptable quality and within stipulated schedules, or the contractors to whom we have outsourced certain processes and services at our manufacturing facilities may not fulfil specified performance standards, which may adversely affect our operations. We may be required to replace a vendor if its products or services do not meet our safety, quality or performance standards or if a vendor should 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 raw 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 variations in cost will not lead to financial losses to us. Further, other risks generally inherent to the development and construction industry may result in our profits from a project being less than as originally estimated or may result in us experiencing losses due to cost and time overruns, which could have a material adverse effect on our cash flows, business, financial condition and results of operations.

7. Our business and revenues are significantly dependent on contracts awarded by governmental authorities and other entities owned and controlled by the respective governments in the jurisdictions where we operate. Any adverse changes in the government policies including reduction in government spending toward infrastructure or budgetary cuts may lead to our contracts being foreclosed, terminated, restructured or renegotiated, or reduce opportunities which may have a material impact on our business, cash flows, financial condition and results of operations.

Our business is primarily dependent on contracts awarded by governmental authorities and other entities funded by the relevant governments in the jurisdictions where we operate. The growth of our business primarily depends on our ability to obtain new EPC contracts.

The following table sets forth our revenue from operations based on the category of clients for Fiscal 2024, 2023 and 2022:

Category of Clients	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)
Government Organizations*	8,190.93	59.60	9,059.88	52.42	10,200.84	51.22
Government Organizations outside India	3,292.48	23.96	4,532.16	26.23	4,708.11	23.64
Private Clients	2,258.85	16.44	3,689.67	21.35	5,005.22	25.13
Total	**13,742.26**	**100.00**	**17,281.71**	**100.00**	**19,914.17**	**100.00**

Notes:
** Includes state and central governments, government agencies and government-owned enterprises.*

Contracts with government entities are subject to extensive internal processes, policy changes, budgetary allocation, insufficiency of funds and political pressure, which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract or lead to renegotiation of the terms of these contracts which may lead to a delay in our business operations. Any adverse change in the policies or tendering criteria adopted by the government regarding award of its projects could adversely affect our ability to bid for and/ or win such projects which could materially affect our business, revenue from operations, cash flows and financial condition.

8. 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 financial year ended March 31,			As of and for the three months ended June 30, 2023	As of and for the three months ended June 30, 2024
	2022	2023	2024		
Trade Receivables (₹ crore)[1]	5,573.79	7,255.36	4,424.96	4,477.50	4,749.84
Trade Receivable Turnover Days (number of days)[1]	148	135	83	153	93

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

(2) ₹ 4,640.97 crore in the comparative numbers for Fiscal 2023 presented in the audited consolidated financial statements for Fiscal 2024 due to reclassification adjustment of ₹ 2,614.30 crore.

Our reliance on contracts with government bodies typically lead to a longer working capital cycle. A client's ability to make payments on timely basis depend on various factors such as the general economic and market conditions and the client's cash flow position, which are out of our control. In projects in financially and economically weaker countries, we typically participate in projects funded by multilateral funding agencies. However, this does not guarantee that we receive payments in a timely and efficient manner as payments 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. There is no assurance 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.

Bringing action against our clients to enforce their contractual obligations is often difficult and there can be no assurance that if we initiate any legal proceedings against any such entities, we will receive a judgment in our favour or on a timely basis. In certain countries where we operate the legal system and framework may not be congenial for recovery of our amount due through a legal process as contained in the contracts. A failure by any of our clients to meet its contractual commitments, or an insolvency or liquidation of any of our clients, could have an adverse effect on our financial condition and results of operations.

9. 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 material incidents have occurred in the last three Fiscals and three months ended June 30, 2024, 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 materially and adversely affected.

10. Construction of our projects including the construction of the required infrastructure are subject to a number of contingencies. If these new projects are affected by such contingencies, our financial condition and results of operations may be adversely affected.

During the construction of a project, we may suffer from 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 our projects across our SBUs, 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. 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. We have in the past faced certain instances which there was time and cost overrun for a project completion on account of delay in security right of way passage, labour shortage, global supply chain bottlenecks, and commodity price volatility amongst others. 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.

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

We derive a significant portion of our revenue from operations from a limited set of clients. The following table sets forth our revenue from operations from our top one, top five and top 10 clients for the periods indicated:

Category	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)
Top One	1,560.36	11.35	1,199.16	6.94	1,372.35	6.89
Top Five	4,673.12	34.01	4,312.19	24.95	5,101.09	25.62
Top 10	6.782.03	49.35	6,579.16	38.07	7,385.19	37.09

Notes:
Clients differ across periods. We have not received consents from our customers to include their name in this Preliminary Placement Document.

Our reliance on a select group of clients who are primarily government or government owned entities who award contracts based on competitive bidding, impacts our ability to competitively negotiate our arrangements or terms of the contract. Additionally, in the event of any disputes, including in relation to payments for the projects 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 affecting the industry in which our clients operate 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 and financial condition.

12. 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. Additionally, delays may occur due to unforeseen circumstances such as skilled labour shortages or supply chain disruptions which may impact our ability to complete projects on time and within budget. For instance, as a result of the Red Sea shipping crisis, on account of Houthi rebel attacks on cargo ships and tankers, had led to vessels avoiding the Suez Canal, one of the world's most important waterways. Instead, these vessels are being forced to reroute around southern Africa. Further, for our T&D SBU, we import transformers that we deploy as part of our operations. We have in the past witnessed shortage in grid equipment owing to global shortages. This may also lead to penalties and damages being imposed by such parties with whom we enter into contracts and result in financial losses and adversely impact our business, financial condition and results of operations. Typically, our contracts, have clauses permitting us to recover the cost of escalations in the price of raw materials. However, our inability to pass on the increase in construction cost of the project or no price escalation provisions in the contracts, may have an adverse effect on our cash flows and results of operations. Our inability to predict the cost correctly or any increases in the costs of construction beyond our estimates upon which contracts are based could adversely affect our results of operations and our financial condition.

13. We depend on the Indian Railways and metro authorities for a significant portion of contracts which are awarded on a tender basis. We cannot assure that our bids will be accepted and future contracts will be awarded to us by the Indian Railways and metro authorities. This may result in an adverse effect on our business, results of operations, financial condition and cash flows.

Our revenues in the future depend on the acceptance of bids submitted to the Indian Railways and metro authorities to a large extent. Our railway related projects are awarded by the Indian Railways and metro authorities through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. We spend considerable time and resources in the preparation and submission of bids, and if we are unable to pre-qualify on our own credentials to bid for larger projects, we may be required to partner and collaborate with other companies in bids for such projects. If we are unable to partner with other companies in the future, we may lose the opportunity to bid for such future projects which could affect our growth plans. In the event that new projects which have been announced and which we intend to bid for are not put up for bidding within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, results of operations, financial condition and cash flows could be adversely affected.

14. An inability by us or our customers to obtain or maintain regulatory approvals and permits required for our business operations or the projects we undertake 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 SBUs. For example, we are required to obtain approval from the Ministry of Environment, Forest and Climate Change of the GoI under the Forest (Conservation) Act, 1980 if our projects across our SBUs involve the clearance of forestland, and the specific clearance from the Supreme Court of India if our projects involve the construction of transmission towers in areas designated as reserved forests, wildlife sanctuaries, national parks or biosphere reserves.

We cannot assure you that we will be able to obtain or renew any applicable approvals in a timely manner, or at all. If we fail to obtain or renew such licenses, approvals, registrations and permits in a timely manner, unless the applicable law provides for deemed approval on application for fresh licence or for renewal, we may not be able to continue our EPC 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 a material 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.

15. Our current order book may not be representative of our future results and may not necessarily translate into future income in its entirety.

Our order book as of a particular date comprises the estimated revenues from the unexecuted portions of all the existing contracts. Further, our order book as of a particular date is calculated on the basis of the aggregate contract value of our ongoing projects as of such date. The order book information included in this Preliminary Placement Document is not audited and does not necessarily indicate our future earnings. Our order book should not be considered in isolation or as a substitute for performance measures. As of June 30, 2024, our Order Book was ₹ 32,714.75 crore. Further, the table below sets forth details of our order book by our SBUs, as of the dates mentioned:

SBUs	**Order Book**									
	As of March 31, 2022 (₹ crore)	**Percentage of Total Order Book (%)**	**As of March 31, 2023 (₹ crore)**	**Percentage of Total Order Book (%)**	**As of March 31, 2024 (₹ crore)**	**Percentage of Total Order Book (%)**	**As of June 30, 2023 (₹ crore)**	**Percentage of Total Order Book (%)**	**As of June 30, 2024 (₹ crore)**	**Percentage of Total Order Book (%)**
Transmission and Distribution	11,596.24	48.90%	14,200.19	46.48%	14,501.52	48.92%	13,147.71	43.64%	16,789.35	51.32%
Civil	6,913.21	29.15%	10,098.82	33.05%	10,199.28	34.41%	10,533.36	34.97%	10,097.27	30.86%
Railways	4,020.00	16.95%	4,259.91	13.94%	3,160.97	10.66%	4,470.84	14.84%	3,280.76	10.03%
Oil and Gas	707.48	2.98%	839.40	2.75%	649.50	2.19%	746.00	2.48%	549.20	1.68%
Cables	315.92	1.33%	315.40	1.03%	594.36	2.00%	500.21	1.66%	673.00	2.06%
Renewables[(1)]	162.69	0.69%	838.97	2.75%	538.84	1.82%	726.98	2.41%	1,325.17	4.05%
Total	**23,715.54**	**100.00%**	**30,552.69**	**100.00%**	**29,644.46**	**100.00%**	**30,125.10**	**100.00%**	**32,714.75**	**100.00%**

(1) During Fiscal 2022, 2023 and 2024, our order book from renewables primarily included orders from solar.

Our order book sets forth our expected revenues from uncompleted portions or where work is yet to commence of contracts awarded to us. However, project delays, modifications in the scope or cancellations may occur from time to time due to either a client’s or our default, on ground conditions, project progress, incidents of force majeure or legal impediments. 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 factors. In an EPC project, we may incur significant additional costs due to project delays and our counterparties may seek liquidated damages due to our failure to complete the required milestones or even terminate the construction contract totally or refuse to grant us any extension. Actual revenue recognised may not be achieved as per the projected revenue from projects within specified time period. There have been instances in the past which impacted our ability to recognise our revenue on account delays in project. For example, our viaduct metro project in Delhi faced challenges on account of COVID-19 pandemic, environmental issues and utility shifting amongst others. Our revenues remains exposed to time and cost overrun risks, given the nature of the projects being executed. Due to the possibility of cancellations or changes in scope and schedule of EPC projects, resulting from our clients discretion or problems we encounter in project execution or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent, a project forming part of our order book will be performed and this could reduce the income and profits we ultimately earn from the contracts.

Delays in the completion of a project can lead to clients delaying or refusing to pay the amount, in part or full, or that we expect to be paid in respect of such project or we could be exposed to recovery of liquidated damages in terms of the contract. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, all payments otherwise due to us on a project. These payments often represent an important portion of the margin we expect to earn on an EPC project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our order book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings. Accordingly, the realization of our order book and the effect on our results of operations may vary significantly from reporting period to reporting period 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.

16. Due to the nature of our contracts, 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.

Pursuant to the terms of our contracts, government entities are required to acquire or license or secure rights of way over, tracts of land or to hand over unencumbered land, free of encroachments to us. Delays in any of the foregoing may result in delay of project implementation prescribed by the relevant contract and cause consequent delays in commencement of construction or termination of the contract on account of a material default by our clients'.

We have submitted claims in relation to certain disputes on account of, among other things, changes in scope of work, and loss on account of delay in handing over of land, prolongation costs, cost claims consequent to increase in cost of materials, fuel and labour costs. We include estimated amounts in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. We may incur significant working capital expenditure pursuant to time and cost overruns, pending the resolution of such project claims. These claims may also be subject to lengthy dispute resolution mechanism, arbitration or litigation proceedings, which may involve associated costs. Such claims may continue to arise in the future. Failure to resolve these claims amicably, favourably, or within a reasonable time or at all, may have an adverse effect on our profitability.

17. 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 results of operations may be materially 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 companies at the international, national and local levels and in multiple categories of construction business. 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 than we expected and may accept terms and conditions that are not in our favour. 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 a material and adverse effect on our business, financial condition and results of operation.

18. We derive a significant portion of our revenue from operations from the Transmission and Distribution ("T&D") vertical. Any downturn or change in governmental policies towards the power sector may have a material impact on our business, cash flows, financial condition and results of operations.

We provide comprehensive end-to-end solutions for building transmission lines and sub-station and manufacture transmission towers, poles, substation structures, and hardware. The following table sets forth our revenue from operations across our SBUs and other operating revenue for Fiscal 2022, 2023 and 2024:

SBU	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)
T&D	6,721.60	48.91%	8,557.77	49.52%	10,322.80	51.84%
Civil	1,887.67	13.74%	3,303.25	19.11%	4,266.72	21.43%
Railways	3,803.19	27.68%	3,660.38	21.18%	3,058.09	15.36%
Smart Infra(1)	51.26	0.37%	-	0.00%	-	0.00%
Oil & Gas	175.49	1.28%	338.42	1.96%	345.59	1.74%
Cables	859.07	6.25%	1,132.24	6.55%	1,191.84	5.98%
Renewables(2)	15.51	0.11%	4.74	0.03%	410.30	2.06%
Others operating revenue	228.47	1.66%	284.91	1.65%	318.83	1.60%
Total	**13,742.26**	**100.00%**	**17,281.71**	**100.00%**	**19,914.17**	**100.00%**

(1) Revenue from operations from Smart Infra starting from Fiscal 2023 and 2024 is recognized under the Railways SBU.

(2) During Fiscal 2022, 2023 and 2024, revenue from renewables in financial statements was referred as Solar SBU.

The following table sets forth our revenue from operations across our SBUs (before inter-SBU elimination) and other operating revenue for the three months ended June 30, 2023 and June 30, 2024:

SBU	Three months ended June 30, 2023		Three months ended June 30, 2024	
	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)	Revenue from operations (₹ crore)	Percentage of revenue from operations (%)
T&D	2,188.13	51.56%	2,499.28	55.39%
Civil	954.57	22.49%	1,058.55	23.46%
Railways	763.65	18.00%	471.44	10.45%
Oil & Gas	104.19	2.46%	125.87	2.79%
Cables	389.05	9.17%	363.34	8.05%
Renewables**	-	0.00%	72.65	1.61%
Others operating revenue	(156.00)	(3.68)%	(79.24)	(1.76)%
Total	**4,243.59**	**100.00%**	**4,511.89**	**100.00%**

* *Other operating revenue include inter-company eliminations.*
** *During three months ended June 30, 2024, our revenue from renewables in financial statements was referred as Solar SBU.*

While, the GoI is increasingly emphasizing the transition to renewable and clean energy sources, driven by environmental concerns, international commitments to reduce carbon emissions, and the need for sustainable energy solutions, however, any shift in policy focus is expected to have significant implications for conventional energy projects. New regulations and policies aimed at curbing emissions and promoting clean energy could lead to increased operational costs for conventional energy projects and potentially make them less competitive compared to renewable alternatives.

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.

19. We may not derive the anticipated benefits from our strategic investments and acquisitions and we may not be successful in pursuing future investments and acquisitions.

As part of our growth strategy, we have in the past and intend to continue to invest in and acquire stake in companies that are complementary to our business or to our any of our business. For example, in 2021, we in order to grow our oil and gas pipeline business, we acquired Spur Infrastructure Private Limited (presently known as KEC SPUR Infrastructure Private Limited) which is in the oil and gas pipeline business and had the necessary technical qualifications for bidding for the oil and gas pipeline business. We believe that our investments and acquisitions serve to improve and expand our services that we offer our clients.

Our Board from time to time evaluation strategic opportunities to acquisitions and investments. Further, any such acquisition would be subject to completion of satisfactory due diligence, entering of definitive agreements, receipt of regulatory approvals and completion of customary closing conditions. There can be no assurance that our investments 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 investments and 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 strategic investments 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. 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 a material adverse effect on our business.

20. An inability to protect and further strengthen and enhance our brand and business reputation could adversely affect our business prospects and financial performance.

Our business reputation and brand are critical to the success of our business. Various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand, which may negatively affect our brand if not properly managed. These include our ability to, effectively manage the quality of the projects undertaken by us; increase brand awareness among existing and potential clients'; adopt new technologies or adapt our systems to client's requirements or emerging industry standards; and protect the intellectual property related to our brand.

There can be no assurance that we will be successful in maintaining our brand and its perception with our clients'. Our inability to adapt to evolving marketing trends at the same pace as our competitors may adversely affect our ability to effectively compete in terms of our brand equity.

Our brand could also be harmed if our projects fail to meet the expectations of our clients', if we fail to maintain our established standards or if we become the subject of any negative media coverage. Our marketing and business promotion efforts may be costly and may fail to effectively enhance our brand or generate additional revenues. Our failure to develop, maintain and enhance our brand may result in decreased revenue which in turn may affect our business, financial condition and results of operations.

21. Any unscheduled or prolonged disruption of our manufacturing operations and could materially and 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 the COVID-19 pandemic, 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. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our business, financial condition, results of operations, and cash flows, may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above. Further, while we have not encountered any past instances of manufacturing disruptions due to contraventions of any regulatory approvals in the last three years and three months ended June 30, 2024, 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. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. 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.

22. Our manufacturing facilities in India and outside India exposes our operations to potential risks arising from local and regional factors which may restrict our operations and adversely affect our business, results of operations and cash flows.

We have three tower manufacturing facilities in India located in Nagpur, Maharashtra, Jabalpur, Madhya Pradesh and Jaipur, Rajasthan. In addition, we have two cable manufacturing facilities in India located in Vadodara, Gujarat and Mysuru, Karnataka. Our international manufacturing facilities, include one manufacturing facility each in Brazil, Mexico and Dubai, United Arab Emirates. Our manufacturing operations are susceptible to disruptions caused by local and regional factors, including agitations, accidents, system failures, economic and weather conditions, natural disasters, demographic factors, and other unforeseen events and circumstances. Our manufacturing facilities may be affected, and there may be significant delays in shipments of our products, which could materially and adversely affect our business, financial condition and results of operations.

23. Premature termination of our 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;
- Change in scope of the project;

- Failure to comply with the terms of the contract;
- Force majeure events; and
- Non-availability of the work front such as right of way issues.

In addition, infrastructure contracts awarded by the Central and/or State Governments 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 project owners will actually make such payments or that such payments will be adequate to recover our costs.

24. 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 materially 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 contractors may result in incremental costs and time overruns which in turn may adversely affect our projects and order intake. A completion delays on the part of 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.

25. An inability by us or our customers to obtain or maintain regulatory approvals and permits required for our business operations or the projects we undertake 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 SBUs. For example, we are required to obtain approval from the Ministry of Environment, Forest and Climate Change of the GoI under the Forest (Conservation) Act, 1980 if our projects across our SBUs involve the clearance of forestland, and the specific clearance from the Supreme Court of India if our projects involve the construction of transmission towers in areas designated as reserved forests, wildlife sanctuaries, national parks or biosphere reserves.

Although we have not experienced any significant delays in the past in obtaining or renewing such approvals and permits, we cannot assure you that we will be able to obtain or renew such approvals in a timely manner, or at all, in the future. If we fail to obtain or renew such licenses, approvals, registrations and permits in a timely manner, unless the applicable law provides for deemed approval on application for fresh licence or for renewal, we may not be able to continue our EPC 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 a material 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.

26. 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 a material 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, collision, work accidents, 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 worst case scenario may disrupt our business and damage our reputation, which may also affect the validity of our relevant qualifications, business operations and results of operations.

27. 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.

28. 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 materially and 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 and slippery conditions during the monsoon season, 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.

29. We have incurred indebtedness and are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.

As on June 30, 2024, we had total outstanding borrowings (on a consolidated basis) of ₹ 4,304.23 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. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents or intimations to be made to certain lenders include, amongst others, (a) changes to the capital structure of our Company or effect any material changes in its shareholding; (b) amendments to memorandum and/or articles of association of our Company, (c) changing the management and dilution of Promoter's shareholding, (d) changing the constitution/composition of the Board; (e) undertaking any merger, de-merger, consolidation, reorganization, dissolution, reconstitution, scheme of arrangement or compromise with creditors or shareholders; (f) change in the general nature of business of our Company or to undertake any expansion or invest in any other entity. Any failure to comply with the conditions and 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.

In addition, during Fiscal 2024, while we were in compliance with all of our debt covenants for borrowings except for the debt covenant with respect to a long-term ECB loan amounting to ₹ 33.70 crore (as at March 31, 2023 ₹ 49.31 crore). While the Company received condonation for such non-compliance as at March 31, 2023 from the bank during the current year, we are yet to receive condonation for non-compliances of that covenant as at March 31, 2024. Further, while there have not been any invocation of guarantees issued by our Company in the past three Fiscals and three months ended June 30, 2024 and there has been no default in any loan repayment, we cannot assure that this will continue to be the case in the future.

Certain of our secured borrowing facilities may also permit the lenders to recall the loan on demand. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance 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. A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers may lead to acceleration of amounts due under such facilities and triggering of cross default provisions such as an absolute right to convert entire outstanding facilities and/or unpaid interest into fully paid-up Equity Shares of our Company. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Our Company would also be unable to extend any investment/loans or advances to subsidiaries/group companies without the prior consent of the lenders.

30. 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 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, which could typically range between 5% to 10% of the total project cost 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. 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.

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

Our quality certifications and accreditations are critical for our business operations. Our manufacturing facilities and operating process are also audited and certified (ISO 14,000) by third party auditors. In the event we fail to comply with the requirement of undergoing third-party audits, or fail our audits, we may be in breach of our arrangements with certain clients. In the event we are unable to comply with the accreditation criteria or if such agencies find that we are not in compliance with the standards and norms prescribed, our accreditation may be revoked or we may not be granted accreditation. To ensure continued accreditation with such agencies, we must ensure consistency and maintain the quality of our manufacturing processes. If we lose one or more of our accreditations or certifications, our reputation and business prospects may be adversely affected.

32. Our inability to maintain the stability of our distribution network and attract additional distributors and dealers for our cable business may have a material adverse effect on our results of operations and financial condition.

We rely on our network of dealers and distributors to sell our cable products in each of the regions in which we operate. Additionally, we depend on our network of agents for, inter alia, business development in certain jurisdictions, cargo handling, transportation, warehousing and delivery at the destination and load port for export cargo and import cargo, respectively. For this purpose, we enter into dealer, distributor and logistics agreements with such agents and generally renewable pursuant to mutual consent. There can be no assurance that such arrangements will continue to be successful or be renewed after expiry of the stipulated term. Any alteration to or termination of our current agreements with agents or any failure to enter into new and similar agreements on commercially favorable terms or at all, could materially adversely affect our business, financial condition, prospects, results of operations or cash flows.

Our business, to some extent, depends on maintaining good relationships with our distributors and dealers and ensuring that our distributors and dealers find our cable products to be commercially remunerative and have continuing demand from customers. Further, our growth as a business depends on our ability to attract additional distributors and dealers to our distribution network. If we fail to maintain the stability of our distribution network and attract additional distributors to our distribution network, our sales and market share may decline which would have a material adverse impact on our business, financial condition, results of operations and cash flows.

33. Our inability to comply with environmental, health and safety laws and regulations could adversely affect our business, results of operations and cash flows.

Our operations are subject to environmental, health and safety and other regulatory and/or statutory requirements in the jurisdictions in which we operate and involve the use, handling, generation, processing, storage, transportation, and disposal of certain materials during the manufacturing of our products. We have to obtain certain environmental permits in order to conduct our business. These environmental laws and regulations include those governing the discharge of pollutants into the air and water, the use, management, and disposal of certain materials, the clean-up of work sites and occupational health and safety. Further, regulatory permits required for our operations may be subject to annual or periodic renewal and, in certain circumstances, modification or revocation. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business may lapse in their normal course and our Company applies to the relevant central or state government authorities in the regular course for renewal of such licenses, consents, registrations, permissions and approvals. As of the date of this Preliminary Placement Document, certain of the licenses required by our issued by Bureau of Indian Standards for our Mysore Factory had expired and we As we execute our long-term strategic plans our environmental compliance burden may continue to increase in terms of magnitude and complexity.

Breach or non-compliance with specified conditions may result in the suspension, withdrawal or termination of our approvals and registrations or the imposition of penalties by the relevant authorities. While there have been no past instances of suspension of the approvals, licenses, registrations or permits issued to us, in last three Fiscals and in the three months ended June 30, 2024 for our manufacturing facilities, we cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension, cancellation or refusal to extend our approvals and registrations may require us to cease operations or lead to imposition of fines and penalties, which may have an adverse effect on our business, financial condition, results of operations and prospects. Further, there can be no assurance that we will be in complete compliance at all times with such laws, regulations and the terms and conditions of any consents or permits. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators. While we have not been fined or otherwise sanctioned in the last three Fiscals and in the three months ended June 30, 2024, any fines or sanctions in the future could adversely affect our business, reputation, financial condition or results of operations.

Furthermore, environmental laws and regulations, and the interpretation and enforcement thereof, are also subject to change and have tended to become stricter over time, in India and internationally. For instance, growing concerns about emissions to air (including scope 3 emissions), discharge to waters and the generation, handling, storage, transportation, treatment and disposal of waste and other materials and environmental concerns (including concerns about global climate change and its impact such as greenhouse gas emissions), may require us to make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and may adversely affect our business, prospects, results of operations and financial condition.

34. 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;
- 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.

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

Our 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 our projects or in relation to land acquisition, acquisition and use of rights of way and construction activities for our projects and the consequent displacement and rehabilitation of affected communities.

36. The failure of a joint venture partner to perform its obligations could impose additional financial and performance obligations resulting in reduced profits, or in some cases, significant losses from the joint venture.

Our Company, from time to time, enters into various joint venture agreements with other parties for the purposes of bidding and execution of projects, whereby certain unincorporated vehicles are formed, having an independent legal status in such jurisdiction from a tax perspective, for eg, association of persons, body of individuals, etc. These are regarded by us as being business joint ventures, and, given the constitution of such vehicles, not incorporated companies. Such arrangements (also called “jointly controlled operations”) are considered as an extension of our business. The success of these joint ventures depends significantly on the satisfactory performance by the joint venture partners and fulfilment of their obligations. If our joint venture partners fail to perform these obligations satisfactorily in the future, we may be required to incur additional costs and/or provide additional services to ensure necessary performance under the contract in view of the joint and several liabilities of the members of the joint venture in a number of projects. These additional obligations could result in reduced profits or, in some cases, significant losses. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we bear increased and possibly sole responsibility for the completion of the project and bear a concomitant increase in the financial risk of the project. Any or all of the above may result in a material adverse effect on our business, financial condition, results of operations and cash flows.

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

As on June 30, 2024, our Company has availed unsecured borrowings aggregating to ₹ 1,140.07 crore while our Subsidiaries have availed certain unsecured borrowings from third parties aggregating to ₹ 540.00 crore, 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 our Company or our Subsidiaries, at any time and if any of our Company or our Subsidiary is 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.

38. 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 customers. 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.

39. There have been delays in execution of certain of our EPC projects. We cannot assure you that we will be able to complete such projects in time which could result in cost escalation which we may not recover from the clients.

While we have grown our revenue from operations from our EPC projects consistently, however, there have been delays in execution of certain projects. While our contracts with clients provide compensation to be payable to us in case of delays outside our control, however, such we may not receive full compensation. In the going forward, we are unable to complete the ongoing or forthcoming projects on time, it could have a material impact on our business, results of operations and cash flows and financial condition.

40. Our Non-Executive Non- Independent Director is named in the list of defaulters (₹ 1.00 crore and above) on the website of TransUnion CIBIL Limited. In the event of any adverse action by any regulatory authority or statutory authority or subsequent classification of him as a wilful defaulter may have a significant adverse impact on his ability to continue to act as a director in our Company.

The name of our Non-Executive Non- Independent Director has been disclosed in the list of defaulters (₹ 1.00 crore and above) on the website of TransUnion CIBIL Limited ("**CIBIL**") in relation to defaults of payments of loans availed by Feedback Infra Private Limited ("**FIPL**") from certain banks. As FIPL had defaulted in the abovementioned loans availed by it, the name of our Non-Executive Non- Independent Director, in his capacity as a director of FIPL, has been included as a defaulter (₹ 1.00 crore and above) on the website of TransUnion CIBIL Limited.

Any subsequent adverse action by any regulatory authority or statutory authority or the lenders against him or non removal of his name from the list of defaulters (₹ 1.00 crore and above) in any of the abovementioned matters or subsequent classification of him as a wilful defaulter may have a significant adverse impact on his ability to continue to act as a director in our Company.

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

Our operations are also subject to laws and regulations restricting dealings with certain parties, including activities involving restricted countries, organizations, entities and persons that are subject to international economic sanctions. We cannot assure you that we will not discover any issues or violations with respect to anti-bribery, anticorruption and economic sanctions laws by us or our employees, agents, sub-contractors or other intermediaries. We are subject to anti-bribery and anti-corruption laws which prohibit us, our employees, agents, subcontractors and other intermediaries from bribing government officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment. We operate in many parts of the world that have experienced governmental corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery and anti-corruption laws may conflict with local customs and practices. Our competitors in such jurisdictions may not be subject to the same anti-bribery and anti-corruption laws as we are, and accordingly, may be better placed than us to do business. 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 and could adversely affect our reputation, business, financial condition, results of operations and the trading price of our Equity Shares.

42. 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 there can be no assurance 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 board or shareholder approval, as necessary under the Companies Act, 2013 and the Listing Regulations and the policy on related party transactions adopted by our Board, there can be no assurance 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. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company and against your interest.

43. Our Company, Subsidiaries, Promoter and Directors are involved in certain outstanding legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.

Our Company, Subsidiaries, Promoter and Directors are currently involved in certain outstanding legal proceedings. These outstanding legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these 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.

For further details, please see "*Legal Proceedings*" on page 278.

There can be no assurance that these legal proceedings will be decided in favour of our Company, its Promoter, 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.

44. Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, 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*" beginning on page 81. The objects of the Issue have not been appraised by any bank or financial institution. 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. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

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 Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds.

45. 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 a material and 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 for bought out supplies, debtors, inventories, contract assets, retention amount and margin money towards non-fund based facilities.

Our project financing is a combination of net working capital from internal accruals, advances from clients 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 a material and 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. There can be no assurance that financing from external sources will be available at the time or in the amounts necessary to meet our requirements.

46. 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 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 Three months Ended June 30, 2024
	(₹ crore, unless otherwise stated)			
Order Book(1)	23,715.54	30,552.69	29,644.46	32,714.75
- India	14,944.98	20,990.52	22,155.25	24,367.45
- International	8,770.56	9,562.17	7,489.22	8,347.30
Order Book Intake(2)	17,202.78	22,378.10	18,101.55	7,663.62
Revenue from Operations	13,742.26	17281.71	19,914.17	4,511.89
Profit After Tax	332.08	176.03	346.78	87.58
Profit After Tax Margin(3)	2.42%	1.02%	1.74%	1.94%
EBITDA(4)	903.50	829.73	1,214.57	270.37
EBITDA Margin (5)	6.57%	4.80%	6.10%	5.99%
Net Debt(6)	2,869.19	3,123.60	3,793.73	4,265.85
Net Debt to Equity(7)	0.79	0.83	0.93	1.03
Return on Equity (%)(8)	9.52%	4.76%	8.82%	2.12%*
Return on Capital Employed (%)(9)	12.16%	10.45%	14.18%	3.26%*

** On an unannualized basis.*

Notes:

(1) Order Book is calculated as expected revenues from uncompleted portions of contracts.

(2) Order Book Intake is calculated as actual order intake year-on-year.

(3) Profit after tax margin is calculated as profit after tax divided by revenue from operations.

(4) EBITDA is calculated as profit before exceptional items and tax plus depreciation and amortization expense plus interest expense less other income.

(5) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
(6) *Net Debt is defined as debt less cash and cash equivalents. Debt is defined as non-current and current borrowings (excluding derivative and financial guarantee contracts),and includes interest accrued thereon and lease liabilities.*
(7) *Net Debt to Equity is calculated as net debt divided by total equity.*
(8) *Return on Equity is calculated as is calculated as profit after tax divided by average shareholder's equity.*
(9) *Return on Capital Employed is calculated as earnings before exceptional items, interest and taxes divided by (tangible net worth (Net worth less intangible asset less goodwill) +total debt (non-current borrowing plus current borrowing plus interest accrued but not due on borrowings) + deferred tax liability).*

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.

47. Our operations are susceptible to interest rate fluctuations, which could impact our profitability and have an adverse effect our 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 borrows funds at both fixed and floating interest rates. Our exposure to changes in interest rates relates primarily to our outstanding floating rate debt. A large part of our outstanding debt in local currency is on floating rate basis linked to T Bill rates and hence subject to interest rate risk, also, a major portion of foreign currency debt is linked to international interest rate benchmarks like Secured Overnight Financing Rate (SOFR). Our rupee borrowings are linked to variability in bank Marginal Cost of the Fund-Based Lending Rate, Repo Rates (MCLR) and T Bill rates. 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 June 30, 2024, the interest rates for our borrowings ranged from 5.19% to 14.46% per annum.

Set forth below are details of our borrowings at floating rates as of the dates set out below.

Particulars	**For Fiscal 2022**	**For Fiscal 2023**	**For Fiscal 2024**
	(₹ crore)		
Borrowings at Floating Rates (in ₹ crore)	1,152.01	1,260.32	1,931.66

Note:
Borrowings at floating rate does not include interest bearing acceptances.

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

48. 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 currency, including the US Dollar, Euro and Australian Dollar. 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. While we enter into foreign currency hedging transactions on a net basis, there is no guarantee 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.

49. 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 (excluding financial guarantees) were as follows:

S. No.	Particulars	Relating to various years comprise in the period	Amount (₹ crore)
1.	Sales tax / Value Added Tax* (Tax/Penalty/Interest)	1994-2021	47.22
2.	Excise Duty * (Tax/Penalty/Interest)	2008-2018	11.83
3.	Service Tax * (Tax/Penalty/ Interest)	2008-2016	4.05
4.	Entry Tax* (Tax/Penalty/Interest)	2010-2012	0.31
5.	Goods & Services Tax (Tax/Penalty/Interest)	2018-2021	0.27
6.	(1) Income Tax matters of the Company mainly on disallowance of depreciation and Tax levied on guarantees given to Associated Enterprises, etc.	Assessment Year 2020-2021 Assessment Year 2021-022	3.96
	(2) Income Tax matters at overseas unit/s of the Company**	2002-2021	11.21
	(3) Income Tax matters of a jointly controlled operation (Company's share)**	2013-2017	4.39
	(4) Income tax matter of a subsidiary	Assessment Year 2022-2023	0.04
7.	Customs Duty^	1995-1996	0.60
8.	Civil Suits^^	-	38.57
9.	Guarantees excluding financial guarantees :- Surety bonds obtained by Company's Subsidiaries in Brazil, Mexico and the United States for certain customer contracts.	-	508.31

Notes:
Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.
**These claims mainly relate to the issues of applicability, issue of disallowance of cenvat / VAT credit and in case of Sales Tax/ Value added tax, also relate to the issue of submission of relevant forms and the Group's claim of exemption for MVAT on export sales and services.*
*** These claims mainly relate to the issues of appropriate jurisdiction for tax applicability at overseas locations.*
^ These claims mainly relate to the issues of clearance of goods from customs within time limit.
^^ These suits includes Civil suits as well as Industrial relations & labour laws cases.

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.

Further, the company has issued corporate guarantees to secure the borrowings in its subsidiaries in Middle-East, Brazil, Mexico and Malaysia. As at March 31, 2024, such corporate guarantees (net of our share in jointly controlled operations) amounted to ₹ 303.21 crore. In the event of inability of such subsidiaries to service such borrowings, the bank can invoke the Corporate Guarantees so issued by the company, leading to a situation of an event of default.

50. 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	Fiscal			Three months ended June 30,	
	2022	2023	2024	2023	2024
	(₹ crore)	(₹ crore)	(₹ crore)	(₹ crore)	(₹ crore)
Employee benefits expense	1,258.66	1,356.24	1,440.63	353.91	369.55

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 customers. 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.

51. We have sustained 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 on a consolidated basis for the periods indicated:

Particulars	Fiscal		
	2022	2023	2024
	(₹ crore)		
Net cash flow generated from / (used in) operating activities	(283.71)	606.73*	311.14

** ₹ 613.74 crore in the comparative numbers for Fiscal 2023 presented in the audited consolidated financial statements for Fiscal 2024 due to reclassification adjustments.*

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially 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 materially and adversely affected. For further information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows***" on page 118.

52. 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.

53. 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 and the Companies Act, 2013. 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.

54. 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 past material instances of failure to maintain effective internal controls and compliance system. 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, there can be no assurance 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.

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

As on the date of this Preliminary Placement Document, our Promoter and Promoter Group held 51.88% of the issued and outstanding equity share capital of our Company. After the completion of the Issue, our Promoter 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 or the sales of substantially all of our assets, and the policies for 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.

56. The loss of one or more members of our senior management or key employees may adversely affect our ability to conduct our business and implement our strategy. 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 and industry relationships of our Promoter Director and Chairman, Harsh Vardhan Goenka, Promoter and Managing Director and Chief Executive Officer, Vimal Kejriwal. While the Board from time to time takes up succession planning for appointment of Directors, Key Managerial Personnel and senior management, there can be no assurance that we will be able to successfully transition as anticipated. 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 Three Months Ended June 30, 2023	As of / For the Three Months Ended June 30, 2024
Total number of	6,058	6,530	6,606	6,463	6,575

employees					
Attrition Rate(%)[(1)]	18.00%	18.00%	20.00%	17.00%	22.00%

Note:

(1) Attrition rate has been calculated as the number of employees who have resigned during the period, divided by the number of employees existing as of the beginning of the period and the numbers of employees who have joined during the period. Our attrition rate for the three months ended June 30, 2023 and June 30, 2024 is not comparable to the annual attrition rate since these are unannualized.

57. We are significantly dependent on contract labours for our EPC operations. In the event we are unable to employ 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 employ a significant number of contract labours for the construction work for our projects across our SBUs. 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 our 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.

58. 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 have procured erection all risk (EAR) insurance policies 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, there can be no assurance 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.

59. Certain of our immovable properties in India and overseas are leased by us. If we are unable to 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 and certain of our manufacturing facilities in India and overseas are held by us on leasehold basis, from third parties, related parties and certain Government authorities on certain terms and conditions. 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 three months ended June 30, 2024, there can be no assurance that such lease agreements will not be terminated unilaterally in future. 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 customers).

In addition, the terms of certain of our leases require us (as the lessee) to incur certain repair and maintenance costs from time to time and to bear utility charges, and include conditions which may restrict our operational flexibility in certain respects, for instance, requiring us to obtain the lessor's prior consent for certain actions (including making significant structural alterations to the factory building, which may be required if we were to undertake a significant expansion in the future, or for undertaking a corporate restructuring or to sublet, transfer, assign, charge or mortgage such properties).

60. 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, in particular, projects in our new SBUs such as renewables. 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.

61. 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.

62. Our Auditors have included 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 three months ended June 30, 2023 and June 30, 2024. For details of these emphasis of matters and our responses thereon, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations– Auditor's Observations***" on page 121. Further, our Statutory Auditors have also reported under the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 (CARO) on the financial statements of respective branches of the Company which includes cash losses at our foreign branches.

Potential investors should consider these matters in evaluating our financial position, cash flows and results of operations.

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

From time to time, we, our Promoter, Promoter Group, our suppliers, our clients or any of our or their affiliates may be subject to negative publicity in relation to our or their business or staff, including publicity covering issues such as anti-corruption, safety and environmental protection. Such negative publicity, however, even if later proven to be false or misleading, and even where the entities or individuals implicated are members or employees of our suppliers, clients or our or their affiliates and not of us, could lead to a temporary or prolonged negative perception against us by virtue of our affiliation with such individuals, suppliers, clients or affiliates. Our reputation in the industry is important to our ability to generate and retain business. In particular, damage to our reputation could be difficult and time-consuming to repair, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

64. Industry information included in this Preliminary 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 "*Industry Research Report on Infrastructure & Construction Industry*" dated September 24, 2024 by *CARE Analytics and Advisory Private Limited ("**CARE**")* appointed on August 9, 2024 for purposes of inclusion of such information in this Preliminary 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 Promoter, and our Directors are not related to CARE. There are no parts, data or information (which may be relevant for the proposed issue), that has been materially 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, "***Presentation of Financial and Other Information" and Industry and Market Data***" on pages 13 and 16.

65. Information relating to the installed capacity, effective installed capacity and capacity utilization of our manufacturing facilities included in this Preliminary 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 Preliminary 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 – Manufacturing Facilities***" on page 205. Accordingly, these should not be treated as indicative of future capacity or capacity utilization. While we have obtained a certificate from S N Samdani & Associates, Chartered Accountants pursuant to their certificate dated September 19, 2024, 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.

66. Under-utilization of our manufacturing capacities could have an adverse effect on our business, prospects, financial performance and cash flows.

As on the date of this Preliminary Placement Document, we operate six tower manufacturing facilities located in India, Brazil, Mexico, and the UAE. In addition, we have two cable manufacturing facilities in India. 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 a material 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 – Manufacturing Facilities***" on page 205.

67. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Preliminary 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, EBITDA Margin, Interest Coverage Ratio, Profit After Tax Margin, Net Debt, Debt to Equity, Return on Equity and Return on Capital Employed (together, "**Non-GAAP Measures**") have been included in this Preliminary 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.

68. Certain of our Subsidiaries have incurred losses in the past and may continue to experience loses in future.

Certain of our Subsidiaries have incurred losses in the last three Fiscals and in the three months ended June 30, 2023 and June 30, 2024. The table below sets for details of losses incurred by our Subsidiaries for the periods indicated:

Subsidiary	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three Months ended June 30, 2023	Three Months ended June 30, 2024
	(₹ crore)				
KEC Global FZ LLC	(0.12)	-	-	-	-
SAE Towers	(241.72)	(199.38)	-	-	-
KEC Global Mauritius	(0.00)	(0.13)	(0.32)	-	-
KEC Malaysia SDN	-	-	-	(4.31)	-
RPGT Nigeria	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

69. We may be constrained under applicable restrictions under Indian overseas investment laws as well as laws of the relevant international jurisdictions to invest in our foreign subsidiaries and joint ventures, which could adversely affect our business prospects and international growth strategy.

Our ability to invest in our foreign subsidiaries and joint ventures is subject to compliance with applicable Indian foreign investment laws on investments in overseas joint ventures and subsidiaries. Under Indian foreign investment laws, an Indian company is permitted to invest in overseas joint ventures or subsidiaries, up to 400% of the Indian company’s net worth as at the date of its last audited balance sheet (subject to certain exceptions) or as directed by the Reserve Bank of India, in consultation with Central Government from time to time. This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee, pledge or charge on assets (subject to applicable conditions) issued by such Indian company. However, any financial commitment exceeding US$ 1 billion (or its equivalent) in a Fiscal would require prior approval of the Reserve Bank of India, even when the total financial commitment of the Indian company is within the eligible limit under the automatic route, as mentioned above. Further, our lenders have imposed restrictions on the same, through financial covenants, which we have to comply with. There may be limitations stipulated in the host country for foreign investment. Investment or financial commitment not complying with the stipulated requirements is permitted with prior approval of the RBI. In addition, there are certain routine procedural and disclosure requirements in relation to any such overseas direct investment. These limitations on overseas direct investment could constrain our ability to acquire our stake in overseas entities as well as to provide other forms of financial assistance or support to such entities, which may adversely affect our business and financial condition.

External Risk Factors

70. 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.

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.

71. 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.

72. 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.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was recently notified. The Competition Amendment Act amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

73. 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. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

74. 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 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 in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian corporations;
- epidemic or any other public health issues in India or in countries in the region or globally, including in India's various neighbouring countries;
- 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;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- 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, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

75. 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. There can be no assurance that Indian inflation levels will not worsen in the future.

76. 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.

77. 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 Preliminary 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 Preliminary 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 Preliminary Placement Document should accordingly be limited.

78. 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.

Since our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we are subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading and these restrictions may continue post listing of the Equity Shares, pursuant to the Issue. These restrictions may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

Risks in Relation to the Equity Shares and the Issue

79. 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 232.

80. 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 Preliminary 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 248. 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 256. 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.

81. 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, including pursuant to the proposed Preferential Issue, 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.

82. 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.

83. 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.

84. 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 258.

85. 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.

86. 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 ₹100,000, 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 at the rate of 10% (plus applicable surcharge and cess). 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 at the rate of 10% (plus applicable surcharge and cess), 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 at the rate of 15% (plus applicable surcharge and cess), 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.

87. 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.

88. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such a resolution. If our Company offers to the Shareholders rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making the rights available to our Shareholders or in disposing of the rights for the benefit of our Company's Shareholders and making the net proceeds available to the Shareholders. Our Company may choose not to offer the rights to Shareholders having an address outside India. Consequently, our Company cannot assure Shareholders that they will be able to maintain their proportional interests in the Equity Shares. Shareholders will be unable to exercise their pre-emptive rights if the law of the jurisdiction in which they are located prohibits the sale of the Equity Shares without first filing an offering document or registration statement, unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law. To the extent that Shareholders are unable to exercise the pre-emptive rights granted to them in respect to the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in our Company would be reduced.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued, subscribed and paid-up share capital comprises 25,70,88,370 Equity Shares bearing face value of ₹ 2. The Equity Shares have been listed on the BSE and NSE since March 10, 2006. The Equity Shares are listed and traded on NSE under the symbol 'KEC' and on BSE under the scrip code 532714.

On September 23, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 945.05 and ₹ 945.10 respectively per Equity Share. Since the Equity Shares are available for trading on the 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 market 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 Fiscals 2024, 2023 and 2022:

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crore)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ crore)**	**Average price for the year (₹)**
2024	748.55	March 11, 2024	1,69,708	12.71	449.90	April 03, 2023	4,941	0.22	608.37
2023	514.50	January 09, 2023	76,091	3.85	349.25	May 12, 2022	12,395	0.44	430.73
2022	526.25	October 25, 2021	2,33,459	12.23	374.30	August 24, 2021	17,218	0.65	438.66

(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 presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crore)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ crore)**	**Average price for the year (₹)**
2024	748.40	March 11, 2024	46,87,316	7.27	449.90	April 03, 2023	1,97,898	18.64	608.50
2023	514.30	January 09, 2023	14,57,360	74.16	349.10	May 12, 2022	1,18,033	4.18	430.70
2022	526.35	October 25, 2021	46,37,369	243.26	373.90	August 24, 2021	2,61,146	9.84	438.78

(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 presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	**Number of Equity Shares Traded**		**Turnover (in ₹ crore)**	
	BSE	**NSE**	**BSE**	**NSE**
2024	76,50,417	15,55,52,802	469.82	9,479.40
2023	1,03,70,650	12,00,50,248	449.66	5,296.61
2022	66,46,476	10,40,48,419	296.32	4,639.26

(Source: www.bseindia.com and www.nseindia.com)

(ii) The following tables set forth the reported high, low and average market 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 during each of the last six months:

NSE											
Month	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ crore)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ crore)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (in ₹ crore)
August 2024	947.35	August 30, 2024	35,43,477	327.12	812.50	August 14, 2024	1,37,662	11.24	851.78	3,54,12,127	3,205.19
July 2024	925.35	July 31, 2024	18,16,568	166.66	868.00	July 19, 2024	3,63,744	32.01	889.76	2,21,32,207	2,020.01
June 2024	935.50	June 14, 2024	40,91,712	378.06	696.90	June 04, 2024	4,77,482	34.79	838.58	2,15,42,737	1,852.96
May 2024	799.60	May 22, 2024	3,31,923	26.48	717.15	May 13, 2024	1,31,691	9.49	758.80	1,27,50,371	978.72
April 2024	769.75	April 04, 2024	1,85,33,865	1,488.64	696.85	April 19, 2024	4,23,635	29.59	734.42	2,92,54,408	2,285.11
March 2024	748.40	March 11, 2024	46,87,316	7.27	654.40	March 20, 2024	1,17,106	8.94	694.29	1,26,14,099	414.57

(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 presented.

3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE											
Month	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ crore)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ crore)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (in ₹crore)
August 2024	949.30	August 30, 2024	1,63,244	15.13	810.70	August 14, 2024	9,882	0.81	851.58	12,98,020	116.96
July 2024	925.00	July 31, 2024	49,592	4.55	867.70	July 19, 2024	18,695	1.64	889.82	9,47,230	86.08
June 2024	935.20	June 14, 2024	1,99,602	18.37	697.40	June 04, 2024	28,508	2.06	838.46	9,90,729	84.61
May 2024	799.70	May 22, 2024	34,646	2.76	717.15	May 13, 2024	5,975	0.43	758.84	7,09,260	54.34
April 2024	769.60	April 04, 2024	4,79,861	38.65	696.30	April 19, 2024	12,635	0.88	734.31	9,18,149	71.01
March 2024	748.55	March 11, 2024	1,69,708	12.71	654.10	March 20, 2024	6,144	0.40	694.15	4,75,333	34.20

(iii) The following table sets forth the market price on the Stock Exchanges on July 29, 2024, being the first working day following the approval of our Board for the Issue:

BSE					
Open	High	Low	Close	Volume	Turnover (in ₹ crore)
882.05	905.70	871.80	874.65	48,601	4.29

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Volume**	**Turnover (in ₹ crore)**
890.00	905.40	870.05	874.15	5,03,430	44.50

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds of the Issue aggregate up to ₹ [●] crores. Subject to compliance with applicable laws, after deducting fees, commissions and expenses of the Issue of approximately ₹ [●] crores, the net proceeds from the Issue are ₹ [●] crores ("**Net Proceeds**").

Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds for: (i) repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company; and (ii) general corporate purposes (collectively referred to as the "**Objects**").

Requirements of Funds

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

Sr. No.	Particulars	Amount	Tentative timelines for utilisation of Net Proceeds
1.	Repayment / Pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	Up to ₹ 840.00 crore	Fiscal 2025
2.	General Corporate Purposes(1)	[●]	[●]
	Total Net Proceeds	**[●]**	**-**

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

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of our Memorandum of Association enables us to undertake the objects contemplated by us in this Issue and 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.

Our fund requirements, deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, other commercial and technical factors and other agreements entered into by our Company, which are subject to change in the future. We currently propose to deploy the Net Proceeds during Fiscal 2025. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution. These are based on current market conditions and business needs, and are subject to revisions in light of changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control. For details, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected* on page 61.

Further, if the Net Proceeds are not utilised (in full or in part) for the Objects during the period stated above due to factors such as: (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods as may be determined by our Company, in accordance with applicable laws. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from borrowings, internal accruals and any additional equity.

Details of use of proceeds

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

We avail fund-based and non-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 and working capital facilities. As on June 30, 2024, we had total outstanding borrowings (on a consolidated basis) of ₹ 4,304.23 crore. We propose to utilise a portion of the Net Proceeds aggregating up to ₹ 840.00 crores for repayment or prepayment, in full or in part, of certain outstanding borrowings availed by our Company.

Pursuant to the terms of the 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. The repayment/ prepayment, will help reduce our outstanding indebtedness and assist us in maintaining a favourable debt - equity ratio. In addition, we believe that since our debt - equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future and meet our working capital needs. The details of the outstanding borrowing availed by our Company, proposed for repayment or prepayment, in full or in part, from the Net Proceeds is set forth below:

Sr. No	Name of the Lender	Nature of Borrowing	Sanctioned amount (1) (₹ in crore)	Amount outstanding as at September 16, 2024(2) (₹ in crore)	Applicable rate of interest (%)	Tenor(3)	Purpose of the borrowing	Prepayment penalty/Condition	Whether the loan has been utilized for the purpose for which it has been availed*
1.	Bank of Baroda	Working Capital Demand Loan	1500.00	290.00	8.12-8.24	For 180 Days	Working Capital Requirement	Not Applicable	Yes
2.	Central Bank of India	Working Capital Demand Loan	560.00	50.00	8.50	For 180 Days	Working Capital	Not Applicable	Yes
3.	Union Bank of India	Working Capital Demand Loan	580.00	45.00	8.20	-	Working Capital	Not Applicable	Yes
4.	Export Import Bank of India	Working Capital Limit	1,734.00	75.00	8.25	Maximum tenor shall be 3 Months	Working Capital Requirement	Not Applicable	Yes
5.	First Abu Dhabi Bank	Working Capital Demand Loan	400.00	50.00	8.18	6 months	To fund working capital requirements of the Company.	Not Applicable	Yes
6.	The Hongkong and Shanghai Banking Corporation Limited	Working Capital Loan	300.00	285.00	8.25-8.49	6 months	Working Capital	Prepayment penalty is Nil. However, we have to pay break cost on loan for balance period of month starting from date of prepayment	Yes

7.	ICICI Bank Limited	Working Capital Demand Loan	1,629.00	350.00	8.35	The maximum tenor of each tranche shall be 180 days. The minimum tenor of each tranche is 30 days.	Working Capital Requirement	The borrower may prepay any of the outstanding tranches (in part of full), subject to payment of applicable prepayment premium as stipulated by ICICI Bank Limited.	Yes
8.	IDBI Bank Limited	Working Capital Demand Loan	1,195.00	60.00	8.70	Maximum upto 90 days (Minimum 7 days) / 1 year limit	Working Capital Requirement	Not Applicable	Yes
9.	Canara Bank	Working Capital Demand Loan	745.00	25.00	8.85	180 days	Working Capital Requirement	As applicable	Yes
10.	Indian Bank	Working Capital Demand Loan	811.00	150.00	8.55-8.70	1 year	Working Capital	Not Applicable	Yes
11.	RBL Bank Limited	Working Capital Demand Loan	450.00	120.00	8.45	6 months	To meet Working Capital requirements	Allowed with intimation	Yes
Total				**1500.00**					

(1) Santioned amount includes fund based and non-fund based facilities.
(2) Outstanding amount includes only fund based facilities.
(3) Tenor from the drawdown date

**As certified by Suresh Surana & Associates LLP, Chartered Accountants vide their certificate dated September 24, 2024, the loans have been utilised for the purpose for which it has been availed by our Company.*

2. General corporate purposes

The Net Proceeds will first be utilized towards the Objects as set out above and in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by the NSE and circular no. 20221213-47 dated December 13, 2022, issued by the BSE. Subject to this, our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] crores, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, meeting ongoing general corporate exigencies and contingencies, expenses of our Company, and/or any other general purposes, as may be permissible under applicable laws, including provisions of the Companies Act.

Other confirmations

Neither our Promoter, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Object. Further, neither our Promoter nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoter, Directors, Key Managerial Personnel or Senior Management are 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 Promoter, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management.

Since the Net Proceeds are proposed to be utilised towards the purposes set forth above and not being used towards implementation of any project, the following disclosure requirements 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.

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company intends to deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market/mutual funds, as approved by the Board and/or a duly authorised committee of the Board, from time to time, and in accordance with applicable laws. 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 the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank.

Monitoring of Utilisation of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency for monitoring the utilization of Gross Proceeds. The Audit Committee and Monitoring Agency will monitor the utilization of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 173A(2) of the SEBI ICDR Regulations, on a quarterly basis, to the Audit Committee until such time as the Gross Proceeds have been utilised in full. Such report, along with the comments (if any) shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Subject to applicable laws, including SEBI Listing Regulations, on an annual basis, our Company shall: (i) prepare a statement of funds utilized for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized; and (ii) disclose every year, the utilization of the Gross Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. 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 utilization of the proceeds of the Issue from the Objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Object of the Issue as stated above.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as of June 30, 2024 which is derived from the Unaudited Consolidated Financial Results and adjusted to give effect to the receipt of the Gross Proceeds.

This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Information*" and "*Selected Financial Information*" on pages 91, 290 and 37, respectively.

(in ₹ crores, unless otherwise stated)

Particulars	Pre-Issue as at June 30, 2024	As adjusted for the Issue*#^
Current borrowings	3,854.94	[●]
Non-current borrowings (including current maturity)	449.29	[●]
Total borrowings (A)	**4,304.23**	**[●]**
Shareholders' funds:		
Equity		
- Equity share capital	51.42	[●]
- Other equity	4,106.59	[●]
Total equity (B)	**4,158.01**	**[●]**
Total capitalization (A+B)	**8,462.24**	**[●]**
Ratio: Total borrowings / Total equity (A/B)	**1.04**	[●]

Notes:
* *Will be finalized upon determination of the Issue Price.*
\# *Adjustments do not include Issue related expenses*
^ *As adjusted to reflect the number of Equity Share issued pursuant to the Issue*

CAPITAL STRUCTURE

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

(in ₹, except share data)

		Aggregate nominal value at face Value
A	**AUTHORISED SHARE CAPITAL**	**1,29,00,00,000**
	57,00,00,000 Equity Shares of ₹ 2 each	1,14,00,00,000
	15,00,000 Redeemable Preference Shares of ₹ 100 each	15,00,00,000
B	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	25,70,88,370 Equity Shares of ₹ 2 each	51,41,76,740
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**(1)	
	Up to [●] Equity Shares of face value ₹ 2 each (1)	[●]
D	**ISSUED AND SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of face value ₹ 2 each	
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as on the date of this Preliminary Placement Document)	86,75,00,000
	After the Issue(2)(3)	**[●]**

(1) This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on July 26, 2024. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed by way of postal ballot dated August 22, 2024.

(2) To be determined upon finalisation of the Issue Price.

(3) The securities premium account after the Issue is calculated on the basis of Gross Proceeds of 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 Preliminary Placement Document is provided in the following table:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of Allotment
March 18, 2005	50,000	10	10	Incorporation	Cash
February 23, 2006	3,76,35,854	10	-	Acquisition of Power Transmission Business of KEC Infrastructures Limited	Other than cash
February 29, 2008	1,16,58,002	10	-	Pursuant to the scheme of arrangement between National Information Technologies Limited and RPG Transmission Limited and Octav Investments Limited and the Company.	Other than cash
May 28, 2008	750	10	-	Allotted to Trustee nominated by Board of Directors against shares of erstwhile RPG Transmission Limited where rights were on hold due to dispute/court cases.	Other than cash
April 26, 2010	20,73,068	10	-	Allotment pursuant to the Scheme of Amalgamation	Other than cash

				of RPG Cables Limited with KEC International.	
December 20, 2010	The equity shares of face value ₹10 each of our Company were sub-divided into Equity Shares of ₹2. Consequently, the issued, subscribed and paid-up capital of our Company, comprising 51,417,674 equity shares of ₹10 each was sub-divided into 25,70,88,370 equity shares of ₹2 each.				

Pre-Issue and post-Issue equity shareholding pattern

The following table provides the pre-Issue shareholding pattern as of June 30, 2024 and the post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoter's holding****				
1.	Indian				
	Individual / HUFs	50,83,120	1.98	[●]	[●]
	Other Entities	12,82,85,981	49.90	[●]	[●]
	Sub-total	13,33,69,101	51.88	[●]	[●]
2.	Foreign promoters	0	00.00	[●]	[●]
Sub-total (A)		**13,33,69,101**	**51.88**	**[●]**	**[●]**
B.	**Non-Promoter holding**				
1.	**Institutional investors**	**9,75,87,705**	**37.96**	**[●]**	**[●]**
2.	**Non-Institutional investors**				
	Associate companies / Subsidiaries	11,74,995	0.46	**[●]**	**[●]**
	Directors and their relatives (excluding independent directors and nominee directors)	875	0.00	**[●]**	**[●]**
	Investor Education and Protection Fund	21,89,842	0.85	**[●]**	**[●]**
	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	1,94,52,717	7.57	**[●]**	**[●]**
	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	4,99,472	0.19	**[●]**	**[●]**
	Non-Resident Indians (NRIs)	8,98,155	0.35	**[●]**	**[●]**
	Foreign Nationals	75	0.00	**[●]**	**[●]**
	Foreign Companies	46,425	0.02	**[●]**	**[●]**
	Bodies Corporate	13,49,637	0.52	**[●]**	**[●]**
	Any other (including unclaimed or suspense or escrow account, director or director's relatives, clearing members, HUFs, LLPs and Trust)	5,19,371	0.20	**[●]**	**[●]**
Sub-total (B)		**12,37,19,269**	**48.12**	[●]	[●]
Grand Total (A+B)		**25,70,88,370**	**100.00**	**[●]**	**[●]**

**The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.*
***Includes shareholding of our Promoter Group as well.*

Employee stock option plans instituted by our Company

Our Company does not have any employee stock option plan as on the date of this Preliminary Placement Document.

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 notice to our Shareholders, i.e., July 26, 2024, for approving the Issue.

(ii) 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 Preliminary Placement Document.

(iii) As on the date of this Preliminary Placement Document, our Company does not have outstanding preference shares.

(iv) Except as stated above, our Company has not made any allotment of Equity Shares, including for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document.

(v) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue pursuant to one or more special resolutions. 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.

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

(vii) The Promoter, the Directors, the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue.

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 Book Running Lead Manager to the Eligible QIBs only.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" beginning on page 594.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, please refer to the section titled "*Financial Information*" on page 290.

DIVIDENDS

The declaration and payment of final dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. For further information, please refer to the section titled "*Description of the Equity Shares*" on page 262.

Our Board may also, from time to time, declare interim dividends. Our Board approved and adopted a formal dividend distribution policy on January 31, 2017, in terms of Regulation 43A of the SEBI Listing Regulations ("**Dividend Distribution Policy**").

In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by our Board after taking into account a number of factors, including but not limited to, internal factors and financial parameters such as operating cash flows, capital expenditure, profits earned during the year, dividend payout ratio and dividend yield, external factors such as any significant changes in the macro-economic environment affecting India or geographies in which the Company operates, statutory and regulatory restrictions and other factors that may be considered relevant from time to time.

The following table details the dividend (including interim dividend, if any) declared and paid or payable by our Company on the Equity Shares for Fiscals 2022, 2023, 2024 and for the three month period ended June 30, 2024:

Particulars	**For the three months period ended June 30, 2024**	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Number of Equity Shares	25,70,88,370	25,70,88,370	25,70,88,370	25,70,88,370
Face value per Equity share (in ₹)	2	2	2	2
Aggregate Final Dividend declared (in ₹ crores)	-	102.83	77.12	102.83
Final Dividend declared per Equity Share (in ₹)	-	4	3	4
Rate of dividend declared (%)	-	200%	150%	200%
Dividend Distribution Tax (%)	NA	NA	NA	NA
Dividend Distribution Tax (in ₹)	NA	NA	NA	NA

Note: Our Board of Directors vide resolution dated May 07, 2024 have proposed dividend of ₹4.00 per Equity Share aggregating to ₹ 102.83 crores for the financial year ended March 31, 2024, which has been subsequently approved by our Shareholders at their annual general meeting held on August 22, 2024.

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. The amounts paid as dividends in the past are not necessarily indicative of the Dividend Distribution Policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared and record date thereof occurs after the Allotment. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, please refer to the section titled "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future*" on page 65.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 17 for a discussion of the risks and uncertainties related to those statements and also "Financial Information" on page 290 for a discussion of certain factors that may affect our business, financial condition or results of operations. 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 for Fiscals 2022, 2023 and 2024 included herein is derived from the Audited Consolidated Financial Statements, and the financial information for the three months ended June 30, 2023 and 2024 included herein is derived from the Unaudited Consolidated Financial Results included in this Preliminary Placement Document. For further information, see "Financial Information" on page 290. 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 "Industry Research Report on Infrastructure & Construction Industry" dated September 24, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE**"), appointed by us on August 9, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE 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. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable.*

OVERVIEW

For details in relation to the business of our Company, see "*Our Business*" on page 184.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our ability to successfully bid for and win projects

Majority of our projects, including those in transmission and distribution, civil works, oil and gas, railways and the recent foray into solar projects, are typically awarded to us through a competitive bidding process. Pre-qualification is therefore a key factor that contributes towards winning projects. We continue to focus on our pre-qualification status through client development efforts, entering into strategic joint partnerships and pre-bid arrangements with other players. In selecting contractors for major projects, clients generally limit the tender to contractors (or sub-contractors) they have pre-qualified based on several criteria including experience, technical and technological capacity, previous performance, reputation for quality, safety record, the financial strength of the bidder as well as its ability to provide performance guarantees. In selecting contractors for major projects, clients or government authorities generally limit the tender to contractors they have pre-qualified based on these criteria, making pre-qualification key to our securing larger or marquee projects. However, price competitiveness of the bid is typically one of the most important selection criterion.

We believe that our long-term relationships with various public sector and private sector clients in India and internationally enable us to better understand our clients' requirements and better evaluate the scope of work and risks involved in a project we bid for. We have bid for and been awarded a multiple orders across sectors from government, public sector undertakings, state utilities, and private developers. In our civil business we have been awarded substantial orders across multiple sectors from a diverse range of clients, which, we believe evidences our reputation as a reliable construction partner in the industry.

Government conducted tender processes may, however, be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the projects for which we bid will be tendered within a reasonable time, or at all. In the event that new projects which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected.

Ability to effectively execute and expand our Order Book

Our Order Book as of a particular date comprises the estimated revenues from the unexecuted portions of all the existing contracts. By diversifying our operations across different sectors as well as geographically, we have been able to undertake a broader range of projects and consequently, optimize our business volume and profit margins.

As of June 30, 2024, our Order Book was ₹ 32,714.75 crore. Further, the table below sets forth details of our order book by our SBUs, as of the dates mentioned:

Business	**As of March 31, 2022**		**As of March 31, 2023**		**As of March 31, 2024**	
	Amount (₹ crore)	**Percentage of Total Order Book (%)**	**Amount (₹ crore)**	**Percentage of Total Order Book (%)**	**Amount (₹ crore)**	**Percentage of Total Order Book (%)**
T&D	11,596.24	48.90%	14,200.19	46.48%	14,501.52	48.92%
Civil	6,913.21	29.15%	10,098.82	33.05%	10,199.28	34.41%
Railways	4,020.00	16.95%	4,259.91	13.94%	3,160.97	10.66%
Oil & Gas	707.48	2.98%	839.40	2.75%	649.50	2.19%
Cables	315.92	1.33%	315.40	1.03%	594.36	2.00%
Renewables(1)	162.69	0.69%	838.97	2.75%	538.84	1.82%
Total	**23,715.54**	**100.00%**	**30,552.69**	**100.00%**	**29,644.46**	**100.00%**

(1) During Fiscal 2022, 2023 and 2024, our order book from renewables included orders from solar SBU.

Our Order Book and the new projects that we have bid for and will continue to bid for in the future will have an effect on the revenues we will earn in the future. Our projects are relatively large sized contracts and our results of operations may vary from Fiscal to Fiscal depending on the project implementation schedule. In addition, our project implementation schedule may vary due to various factors that may be beyond our control, including availability of land from the clients and timely commencement of work. The manner in which we calculate and present our Company's Order Book information may vary from the manner in which such information is calculated and presented by other companies, including our competitors. For further discussion on various factors that may affect the execution of our projects and consequently the realization of our Order Book as of a particular date, see "*Risk Factors – Our current order book may not be representative of our future results and may not necessarily translate into future income in its entirety*." on page 50.

Accordingly, the realization of our Order Book and the effect on our results of operations may vary significantly from reporting period to reporting period 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 as it is impacted by applicable accounting principles affecting revenue and cost recognition. The value of the orders we receive and our ability to execute them in a timely manner therefore impacts our future performance. As we expand our Order Book, the modified terms of payments for new projects may necessitate higher working capital requirements and therefore impact our financial performance. Any cancellation of orders, termination of under-construction projects by our customers or any cost escalation in the event we are unable to complete the projects on time may result in a reduction of our future revenue. Any delay in payments that are due and payable to us will affect our operations and have an impact on our cash flows. This may result in an increase in our working capital borrowings thereby affecting our business and results of operations.

Execution capabilities

Our ability to distinguish ourselves from other players is in large based on our ability execute projects within prescribed timeframes and in a cost effective manner. We are faced with execution challenges that include geological problem, land acquisition and right of way issues, pending approvals and clearances from Government agencies, working in difficult terrains, manpower, availability of adequate financing arrangements on commercially viable terms. Our EPC projects are required to achieve commercial operation no later than the scheduled commercial operation dates specified with permissible extensions, as specified under the relevant contracts. We provide our clients with performance guarantees for completion of the construction of our projects that may be invoked in the event we are unable to meet such deadlines. Clients may also terminate the contract in the event of inordinate delays. As a leading EPC player, we closely monitor the risks associated with each of our projects and deploy suitable strategies to effect timely mitigation. We engage various technologies to assess terrains and soil conditions at project sites. We have deployed several mechanisation, automation and digitisation initiatives across projects to improve productivity and quality of execution. These and other similar measures may however, not always be effective in execution of projects in a timely manner.

Ability to diversify across sectors and geographies

We have an established presence pan-India and globally. Our transmission and distribution business operates across Asia (including South Asia, the Middle East, Southeast Asia, and Central Asia), Africa, the Americas, Oceania, and Europe. Our geographical expansion over the years in India and overseas through our overseas subsidiaries and partnerships has helped us in pursuing opportunities available across continents and has created new business units for better execution. The success of our international expansion plans and strategic diversification into new sectors and industries are linked to amongst others, our ability to leverage our existing track record across diverse sectors to provide cost and operational advantages to our clients. Demand for our services would also depend upon the sustained economic development in the industries and regions that we seek to expand and operate in, applicable government policies as well as competition in our target sectors. For further information in relation to our international operations and partnerships, please see "*Our Business – Strengths – Diversified Geographical Footprint*" on page 188.

Government policies and macro-economic environment

Our business is substantially dependent on projects undertaken or awarded by Central Government and State Government agencies in various jurisdictions where we operate. We derive a significant portion of our revenues from our EPC projects, which are in large part dependent on budgetary allocations by governmental authorities, participation from multilateral agency sponsored developments and public bodies, and access to private sector funding. In the event of any adverse change in such budgetary allocations, delays in the award of infrastructure projects or a downturn in available work in the infrastructure sector leading to changes in government policies and priorities, our business prospects and financial condition may be adversely affected. Further, such adverse changes may also lead to our contracts being cancelled, restructured or renegotiated. These could adversely affect our financing arrangements, capital expenditure, revenues, development or cash flows relating to our existing projects, as well as our ability to participate in competitive bidding.

Macroeconomic factors in India and globally relating to the infrastructure sector will have a significant impact on our prospects and results of operations. Overall economic growth in manufacturing and services will lead to demand for better infrastructure, which would entail demand for construction, upgradation, and maintenance of power, civil and transportation infrastructure. Other macroeconomic factors like global GDP growth, Indian foreign investment regulations, oil prices and financial stability may impact the economic environment of India and the policies of the government with respect to the infrastructure sector. A change in policies and economic conditions resulting from a change in government may also impact our business.

Seasonality and extreme weather conditions

Our business activities and projects may be materially and adversely affected by severe weather conditions, which may force us to evacuate personnel or curtail services, replace damaged equipment and facilities or suspend our construction activities during unfavourable weather conditions. Heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our construction activities during the critical periods of our projects and cause severe damages to our equipment used for construction activities. Monsoon season could limit our ability to carry on construction activities or to fully utilize our resources. Our business activities may also be adversely affected by other natural disasters, including earthquakes, floods, and landslides, which may cause significant interruptions of our operations and damages to our properties and working environment which may not be adequately covered by the insurance policies availed by us. During periods of curtailed activity due to severe weather conditions or natural disasters, we may continue to incur operating expenses but our revenues from operations may be delayed or reduced.

Competition

We face significant competition for the award of projects from a large number of infrastructure companies who also operate in the same markets as us. Further, some of our competitors are larger than us, have stronger financial resources or a more experienced management team, or have stronger engineering capabilities in executing technically complex projects. Our competition depends on various factors, such as the type of project, total contract value, potential margins, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. Competition from other infrastructure companies may impact our ability to successfully bid for projects at price levels which would generate desired returns for us.

PRESENTATION OF FINANCIAL INFORMATION

In this Preliminary Placement Document, we have included (i) audited consolidated financial statements as of and for the years ended March 31, 2022, 2023 and 2024 along with the respective audit reports thereon; (ii) unaudited consolidated financial results as of and for the quarter ended June 30, 2023 submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon; and (iii) unaudited consolidated financial results as of and for the quarter ended June 30, 2024 submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon.

MATERIAL ACCOUNTING POLICIES

Set forth below is a summary of material accounting policies used in the preparation of our annual financial statements for the year ended March 31, 2024:

Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. supply or construction contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly, for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle, except for amounts with respect to legal cases or long pending disputes.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component's other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the transferred asset.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

The following subsidiaries have been considered in preparation of the consolidated financial statements:

	Country of Incorporation	**% of ownership interest either directly or through subsidiaries**	
		As at March 31, 2024	**As at March 31, 2023**
Direct Subsidiaries			
RPG Transmission Nigeria Limited	Nigeria	100	100
KEC Towers LLC	UAE	100	100
KEC Investment Holdings, Mauritius	Mauritius	100	100
KEC Global Mauritius (up to September 24, 2023)	Mauritius	-	100
KEC International (Malaysia) SDN BHD	Malaysia	100	100
KEC Power India Private Limited	India	100	100
KEC Spur Infrastructure Private Limited	India	100	100
Indirect Subsidiaries			
SAE Towers Holdings LLC	USA	100	100
SAE Towers Brazil Subsidiary Company LLC	USA	100	100
SAE Towers Mexico Subsidiary Holding Company LLC	USA	100	100
SAE Towers Mexico S de RL de CV	Mexico	100	100
SAE Towers Brazil Torres de Transmission Ltda	Brazil	100	100
SAE Prestadora de Servicios Mexico, S de RL de CV	Mexico	100	100
SAE Towers Ltd	USA	100	100
SAE Towers Construcao Ltda (formerly known as SAE Engenharia E Construcao Ltda)	Brazil	100	100
KEC Engineering & Construction Services, S de RL de CV	Mexico	100	100
KEC EPC LLC	UAE	100	100

Revenue Recognition

The Group derives revenue principally from following streams:

- Sale of products (towers and cables)
- Sale of services
- Construction contracts
- Other Operating Revenue

Sale of Products

The Group recognizes revenue in relation to sale of tower/cable and ancillary products when it satisfies a performance obligation in accordance with the contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when legal title, physical possession, risk of obsolescence, loss and rewards of ownership pass to the customer and the group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the group expects to be entitled to in exchange for transferring of promised goods and services to the customer. Transaction price excludes taxes and duties collected on behalf of the government. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

Construction Contracts:

The Group enters into engineering, procurement and construction contracts ('EPC') which are fixed price contracts or variable price contracts. Revenue is recognized from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Transaction price does not include any significant financing component.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgement. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. 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. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Group's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the balance sheet. Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Sale of Services:

Services rendered include tower testing and designing, operating and maintenance and other services.

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

Other Operating Revenue

Export benefits under Mercantile Export from India Scheme (MEIS), Service Export from India Scheme (SEIS), Duty Drawback benefits and Remission of Duties and Taxes on Export Products Scheme (RoDTEP) are accounted as revenue on accrual basis as and when export of goods take place, where there is a reasonable assurance that the benefit will be received and the Group will comply with all the attached conditions.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, the equity interests issued by the Group in exchange of control of the acquiree and fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are generally recognised in the Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is not amortised but it is tested for impairment.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Interests in Jointly Controlled Operations

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement 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 jointly controlled operations, the Group as a joint operator recognises in relation to its interest in a jointly controlled operation the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the applicable Ind AS.

When a group entity transacts with a jointly controlled operation in which a group entity 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 consolidated financial statements only to the extent of other parties' interests in the jointly controlled operation.

When a group entity transacts with a jointly controlled operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Leasing

As a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases having lease term of 12 months or less and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. and includes the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payments that vary to reflect changes in market rental rates, if any
- Amounts expected to be payable by the Group under residual value guarantees, if any
- Exercise price of the purchase option, if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Short-term leases and leases of low-value assets

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

Foreign Currency Transactions

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (functional currency). For each branch, jointly controlled operations and subsidiary situated outside India, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency of that respective branch, jointly controlled operations and subsidiaries. The functional and presentation currency of the Group is Indian Rupees (INR). The financial statements are presented in Indian rupees (INR).

Accounting for transactions and balances in foreign currencies

Foreign currency transactions are recorded in the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency at the year end exchange rate are generally recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

In case of consideration paid or received in advance for foreign currency denominated contracts, the related expense or income is recognised using the rate on the date of transaction on initial recognition of a related asset or liability.

Exchange differences on settlement or translation of monetary items are recognised in the Statement of Profit and Loss in t he period in which they arise. except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Translation of foreign operations whose functional currency is other than presentation currency:

- Assets and liabilities, both monetary and non- monetary are translated at the rates prevailing at the end of each reporting period and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.
- Income and expense items are translated at the exchange rates at the dates of the transactions and all 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.

Borrowing Costs

Finance expenses are recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale in which case they are capitalised until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Employee Benefits

Long Term Employee Benefits

Defined Contribution Plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund and provident fund are recognised as expense when employees have rendered service entitling them to the contributions. The Group has no further payment obligation once the contribution have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

Defined Benefit Plans:

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary. The Company's contribution to the provident fund for all employees are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

The defined benefit plan of the Company, its subsidiaries and its jointly controlled operations at India i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation of an amount equivalent to 15 days salary for completed years of service and on death while in employment an amount equivalent to 15 days salary for anticipated years of service in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

In case of jointly controlled operation at Al-Sharif Group and KEC Ltd Company and Saudi Arabia (Al Sharif JV), the defined benefit plan i.e. End Service Benefit (ESB), provides for lump sum payment to vested employees on resignation/ termination or retirement on an amount equivalent to 15 days salary upto 5 years and one month salary from 6th year onwards for each completed year of service or part thereof on proportionate basis according to the law applicable in Saudi. Vesting occurs upon completion of two years of service.

In case of subsidiary at Malaysia, the defined benefit plan i.e. Gratuity Plan, provides for lump sum payment to vested employees on resignation/ termination or retirement and on death while in employment, an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months in terms of gratuity scheme provided by the subsidiary company or as per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

The defined benefit plan of subsidiary at Dubai i.e. gratuity plan, provides for lump sum payment to vested employees on separation (including death), an amount equivalent to 1.75 days for each month for first 60 months and beyond 60 months, 2.5 days per month, for each completed years of service and on voluntary termination, proportionate amount based on number of years of service in terms of Gratuity scheme of the subsidiary at Dubai or as per payment of the Gratuity Act of Dubai, whichever is higher. Vesting occurs upon completion of one year of service. However, on death of an employee, there is no minimum service requirement.

In case of subsidiary at US, it has a post employment scheme for pension, which is unfunded.

The liability recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligations are determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method.

Compensated absences:

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 therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The Obligations are presented as either current or non-current liabilities on the balance sheet, depending on whether the entity has an unconditional right to defer settlement for at least twelve months after the reporting period. If the entity lacks this unconditional right, regardless of when settlement is expected to occur, the obligations are classified as current liabilities. Conversely, if there exists an unconditional right to defer settlement for more than twelve months after the reporting period, the obligations are presented as non-current liabilities on the balance sheet.

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.

Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The Group'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 Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

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. 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled operations, except where it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, 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 difference can be utilised.

Deferred tax assets and liabilities are offset when there is a 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 entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and credits only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, Plant and Equipment

Property, plant and equipment (except freehold land) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
Depreciation commences when the assets are ready for their intended use. Depreciation on Property, Plant and Equipment has been provided on the straight-line method over their estimated useful life, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these Property, Plant and Equipment is mentioned below:

Particulars	**Estimated useful life (in years)**
Buildings (including roads and temporary structures)	3-60
Plant and Equipment/ Office Equipment	5-25
Erection tools	3-5
Furniture and Fixtures	10
Vehicles	6-8
Computers	3-6

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

Capital work-in-progress

Capital work-in-progress comprises the cost of assets that are not yet ready for their intended use at the year end and are stated at historical cost and impairment, if any. Capital work-in-progress also includes spares which are yet to be put to use.

Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

Research and development costs

Research expenditure and development expenditure that do not meet the criteria mentioned in Ind AS 38 are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Useful lives of intangible assets

Brand in respect of the power transmission business acquired under the High Court approved Composite Scheme of Arrangement in an earlier year is amortised by the Company in terms of the said Scheme over its useful life, which based on an expert opinion is estimated to be of 20 years. Non-compete fees paid on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non-compete agreement i.e. 3 years. Customer Contracts obtained on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on a estimated useful life of 2.5 years.

Computer Software are amortised on straight line basis over the estimated useful life ranging between 4-6 years.

Impairment of Non-current assets (excluding Goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its Property, plant and equipment, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), other than goodwill 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 Consolidated Statement of Profit and Loss.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

Investment

The Group classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows.

Inventories

Inventories (raw material, work-in-progress, finished goods, stores and spares) are stated at the 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.

Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the management's 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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised, measured and disclosed as provisions in consolidated financial statements. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranty Provision: Provisions for warranty related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets: A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets except trade receivables 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 Consolidated Statement of Profit and Loss.

Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Classification and Measurement Financial Assets

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.

Effective interest method

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as FVTPL or FVOCI. Interest income is recognised in the Consolidated Statement of Profit and Loss.

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 Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Dividend income

Dividend income is recognised when the right to receive payment has been established.

Impairment of financial assets

The Group recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for 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. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss 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 and does not retain control of the asset. The Group continues to recognise the asset 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 recognised in other comprehensive income and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

Classification and Measurement Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity 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 the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

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 the Group entity are initially measured at their fair value 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, 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, 'Revenue from Contract with Customers'.

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 with a new 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 the Consolidated Statement of Profit and Loss.

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks, including foreign exchange forward contracts, and commodity contracts-Over the Counter (OTC) derivatives. Derivatives are only used for economic hedging purposes and not as a speculative investment.

Derivatives 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 Consolidated 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 Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge Accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk and commodity price risk as cash flow hedges. Hedges of foreign exchange risk and commodity price risk for highly probable forecast transactions are accounted for as cash flow hedges. Hedges of the fair value of recognised assets or liabilities are accounted for as fair value hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. For cash flow hedging relationships that span multiple reporting periods, the ineffectiveness for the period is calculated as the difference between the cumulative ineffectiveness as at reporting date (based on the 'lesser of' the cumulative change in the fair value of the hedging instrument and the hedged item), and the cumulative ineffectiveness reported in prior periods.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects the Consolidated Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Consolidated Statement of Profit and Loss.

Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss through cost of material consumed.

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 financial institutions, other short term highly liquid investments 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.

Segment Reporting

The Group delivers projects in key infrastructure sectors such as power transmission and distribution, railways track laying, electrification, civil, urban infrastructure, oil and gas pipelines etc. through its various Strategic Business Units (SBUs). The nature of the entire business remains within the boundaries of development of infrastructure, adhering to a consistent execution methodology used across stages such as Design/Engineering, Procurement, and Construction. Each project may have distinct characteristics in terms of scale and type, but the fundamental process centered around construction/erection is consistent across all these SBUs. The class of the customers across segment is primarily Government, Public Sector undertaking (PSU's), State Governments, Utilities and large Private Sector. Over long-term basis, the margin profiles on each of these SBUs is also in the similar range, however the same may differ on Project to Project basis in the short term.

Considering the similarity in the economic characteristics and nature of these Engineering, Procurement, and Construction ('EPC') businesses, the Company has applied aggregation criteria for reportable segment under Ind AS 108 and disclosed EPC segment as one of the reportable segment.

Earnings Per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Exceptional Items

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 consolidated financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

NON-GAAP MEASURES

EBITDA, EBITDA Margin, Interest Coverage Ratio, Profit After Tax Margin, Net Debt, Debt to Equity, Return on Equity and Return on Capital Employed (together, "**Non-GAAP Measures**"), presented in this Preliminary 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 and EBITDA Margin:

The table below provides reconciliation of our EBITDA and EBITDA Margin:

(in ₹ crore, except ratio)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit after tax	332.08	176.03	346.78	42.33	87.58
Add:					
Tax	67.35	(15.05)	79.71	4.37	24.46
Profit before tax after exceptional item	**399.43**	**160.98**	**426.49**	**46.70**	**112.04**
Add:					

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2023	Three months ended June 30, 2024
Exceptional item	43.64	-	-	-	-
Profit before tax before exceptional item	**443.07**	**160.98**	**426.49**	**46.70**	**112.04**
Add:					
Depreciation and Amortisation	157.86	161.48	185.36	41.79	46.51
Finance Cost	316.00	538.59	655.13	158.70	154.95
Less:					
Other Income	(13.43)	(31.32)	(52.41)	(2.83)	(43.13)
EBITDA	**903.50**	**829.73**	**1,214.57**	**244.36**	**270.37**
Revenue from operations	**13,742.26**	**17,281.71**	**19,914.17**	**4,243.59**	**4,511.89**
EBITDA Margin (%)	**6.57%**	**4.80%**	**6.10%**	**5.76%**	**5.99%**

Reconciliation of Net Debt to Equity:

(in ₹ crore except ratio)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2023	Three months ended June 30, 2024
Non-current Borrowings	393.26	493.16	252.86	484.65	191.60
Current Borrowings	2,469.45	2,701.29	3,559.46	3,434.95	4,112.63
Interest accrued but not due	12.21	21.39	13.80	24.92	9.72
Derivative and financial guarantee contracts	-	-	-	-	-
Non-current lease liabilities	167.44	163.17	148.14	160.17	184.71
Current lease liabilities	34.46	25.75	24.57	24.94	36.32
Total	**3,076.82**	**3,404.76**	**3,998.83**	**4,129.63**	**4,534.98**
Cash and cash equivalents	(207.63)	(281.16)	(205.10)	(171.47)	(269.13)
Net Debt (A)	**2,869.19**	**3,123.60**	**3,793.73**	**4,329.11**	**4,265.85**
Total Equity	3,619.93	3,771.42	4,095.70	3,799.55	4,158.01
Net Debt to Equity (A/B)	0.79	0.83	0.93	1.04	1.03

Reconciliation of Return on Equity:

The table below provides reconciliation of our Return on Equity:

(in ₹ crore, except ratio)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2024
Profit after tax (A)	332.08	176.03	346.78	87.58
Opening shareholder’s equity	3,359.69	3,619.93	3,771.42	4,095.70
Closing shareholder’s equity	3,619.93	3,771.42	4,095.70	4,158.01

Average shareholder's equity (B)	**3,489.81**	**3,695.68**	**3,933.56**	**4,126.85**
Return on Equity (C=A/B)	**9.52%**	**4.76%**	**8.82%**	**2.12%**

Reconciliation of Profit After Tax Margin

The table below provides reconciliation of our Profit After Tax Margin:

(in ₹ crore, except ratio)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2024
Profit after tax (A)	332.08	176.03	346.78	87.58
Revenue from Operations (B)	13,742.26	17,281.71	19,914.17	4,511.89
Profit After Tax Margin (C=A/B)	**2.42%**	**1.02%**	**1.74%**	**1.94%**

Reconciliation of Return on Capital Employed

The table below provides reconciliation of our Return on Capital Employed:

(in ₹ crore, except ratio)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2024
Profit After Tax	332.08	176.03	346.78	87.58
Add: Tax	67.35	(15.05)	79.71	24.46
Profit before tax after exceptional item	**399.43**	**160.98**	**426.49**	**112.04**
Add: Exceptional item	43.64	-	-	-
Profit before tax before exceptional item	**443.07**	**160.98**	**426.49**	**112.04**
Finance Cost	316.00	538.59	655.13	154.95
Earning before exceptional item interest and taxes (A)	**759.07**	**699.57**	**1,081.62**	**266.99**
Tangible Net Worth				
Total Equity	3,619.93	3,771.42	4,095.70	4,158.01
Less: Intangible assets	(44.68)	(32.52)	(19.68)	(15.58)
Less: Goodwill	(249.70)	(268.49)	(272.13)	(272.07)
Tangible Net worth (a)	**3,325.55**	**3,470.41**	**3,803.89**	**3,870.35**
Total Debt				
Non current borrowings	393.26	493.16	252.86	191.60
Current borrowings	2,469.45	2,701.29	3,559.46	4,112.63
Interest accrued but not due on borrowings	12.21	21.39	13.80	9.72
Total Debt (b)	**2,874.92**	**3,215.84**	**3,826.12**	**4,313.95**
Deferred Tax Liability (c)	43.80	7.21	-	-
(B) Capital Employed (a+b+c)	**6,244.27**	**6,693.46**	**7,630.01**	**8,184.30**
Return on Capital Employed % (A/B)	**12.16%**	**10.45%**	**14.18%**	**3.26%**

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

The principal components of our income and expenditure are as follows:

Income

Our income comprise revenue from operations and other income.

Revenue from operations

Revenue from operations comprise: (i) revenue from contract with customers, which includes (a) sale of products; (b) construction contracts revenue; and (c) sale of services; and (ii) other operating revenue, i.e., scrap sales and export benefits and others.

Other Income

Other income comprise: (i) interest income earned on financial assets that are not designated at fair value through profit or loss ("**FVTPL**") on: (a) bank deposits (at amortised cost); and (b) other financial assets carried at amortised cost; (ii) other interest income, i.e., income tax refund; (iii) government grant; and (iv) other non-operating income which includes (a) guarantee charges; (b) profit on sale of property, plant and equipment; (c) bad debts recovered; and (d) miscellaneous income.

Expenses

Total expenses comprise: (i) cost of materials consumed; (ii) changes in inventories of finished goods and work-in-progress; (iii) erection and sub-contracting expenses; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortisation expense; and (vii) other expenses.

Cost of materials consumed

Cost of materials consumed includes manufacturing cost of towers, raw materials and project bought outs.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work-in-progress includes inventories which includes opening stock and closing stock of work-in-progress and finished goods.

Erection and sub-contracting expenses

Erection and sub-contracting expenses comprises (i) erection / construction materials consumed; (ii) stores consumed; (iii) sub-contracting expenses; (iv) power, fuel and water charges; (v) construction transport; (vi) machinery hire charges; and (vii) others i.e., material testing, hire labour, security, etc.

Employee benefits expense

Employee benefits expense comprises (i) salaries, wages and other allowances; (ii) contribution to provident fund and other funds; and (iii) staff welfare expenses.

Finance costs

Finance costs comprise: (a) interest expense for financial liabilities not classified at FVTPL; (b) interest on micro and small enterprise; (c) interest expense on lease liabilities; and (d) other borrowing costs (processing fees, etc.).

Depreciation and amortisation expense

Depreciation and amortisation expense comprises: (i) depreciation on property, plant and equipment; (ii) depreciation on right-of-use-assets; and (iii) amortisation of intangible assets.

Other expenses

Other expenses primarily includes: (i) rent; (ii) insurance; (iii) rates and taxes, excluding taxes on income (net); (iv) bank (guarantee, letter of credit and other) charges; (v) freight and forwarding (net); (vi) repairs to plant and equipment; (vii) travelling and conveyance; (viii) professional fees; (ix) allowance for bad and doubtful debts, loans; (x) directors' fees; (xii) corporate social responsibility expenditure; and (xiii) miscellaneous expense.

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscals 2022, 2023, 2024 and the three months ended June 30, 2023 and 2024:

Particulars	Fiscal						Three months ended June 30,			
	2022		2023		2024		2023		2024	
	(₹ crore)	Percentage of Total Income (%)	(₹ crore)	Percentage of Total Income (%)	(₹ crore)	Percentage of Total Income (%)	(₹ crore)	Percentage of Total Income (%)	(₹ crore)	Percentage of Total Income (%)
Income										
Revenue from operations	13,742.26	99.90	17,281.71	99.82	19,914.17	99.74	4,243.59	99.93	4,511.89	99.05
Other income	13.43	0.10	31.32	0.18	52.41	0.26	2.83	0.07	43.13	0.95
Total Income	**13,755.69**	**100.00**	**17,313.03**	**100.00**	**19,966.58**	**100.00**	**4,246.42**	**100.00**	**4,555.02**	**100.00**
Expenses										
Cost of materials consumed	6,090.81	44.28%	6,969.83	40.26	8,413.69	42.14	1,609.64	37.91	1,795.49	39.42
Changes in inventories of finished goods and work-in-progress	(141.79)	(1.03)	98.77	0.57	(5.70)	(0.03)	(131.39)	(3.09)	(2.23)	(0.05)
Erection and sub-contracting expenses	4,509.15	32.78	6,552.24	37.85	7,176.82	35.94	1,715.57	40.40	1,644.56	36.10
Employee benefits expense	1,258.66	9.15	1,356.24	7.83	1,440.63	7.22	353.91	8.33	369.55	8.11
Finance costs	316.00	2.30	538.59	3.11	655.13	3.28	158.70	3.74	154.95	3.40
Depreciation and amortisation expense	157.86	1.15	161.48	0.93	185.36	0.93	41.79	0.98	46.51	1.02
Other expenses	1,121.93	8.16	1,474.90	8.52	1,674.16	8.38	451.50	10.63	434.15	9.53
Total expenses	**13,312.62**	**96.78**	**17,152.05**	**99.07**	**19,540.09**	**97.86**	**4,199.72**	**98.90**	**4,442.98**	**97.54**
Profit before exceptional items and tax	**443.07**	**3.22**	**160.98**	**0.93**	**426.49**	**2.14**	**46.70**	**1.10**	**112.04**	**2.46**
Exceptional items	43.64	0.32	-	-	-	-	-	-	-	-
Profit after exceptional items and before tax	**399.43**	**2.90**	**160.98**	**0.93**	**426.49**	**2.14**	**46.70**	**1.10**	**112.04**	**2.46**
Tax expense										
- Current tax	198.58	1.44	121.74	0.70	114.10	0.57	19.11	0.45	50.68	1.11
- Deferred tax	(131.23)	(0.95)	(136.79)	(0.79)	(34.39)	(0.17)	(14.74)	(0.35)	(26.22)	(0.58)
Total income tax expense	**67.35**	**0.49**	**(15.05)**	**(0.09)**	**79.71**	**0.40**	**4.37**	**0.10**	**24.46**	**0.54**
Profit for the year/period	**332.08**	**2.41**	**176.03**	**1.02**	**346.78**	**1.74**	**42.33**	**1.00**	**87.58**	**1.92**
Other comprehensive income										
Items that will not be reclassified to profit or loss										
Remeasurement of defined benefit obligations	4.16	0.03	(0.75)	0.00	2.46	0.01	(0.31)	(0.01)	0.55	0.01
Income tax relating to these items	(0.97)	(0.01)	0.29	0.00	(0.63)	(0.00)	0.06	0.00	(0.12)	(0.00)
Items that will be reclassified to profit or loss										
Exchange differences on translation of financial statements of foreign operations	29.86	0.22	83.39	0.48	32.46	0.16	12.93	0.30	(11.55)	(0.25)

Particulars	Fiscal						Three months ended June 30,			
	2022		2023		2024		2023		2024	
	(₹ crore)	Percentage of Total Income (%)	(₹ crore)	Percentage of Total Income (%)	(₹ crore)	Percentage of Total Income (%)	(₹ crore)	Percentage of Total Income (%)	(₹ crore)	Percentage of Total Income (%)
Net gain/(losses) on cash flow hedges	(2.38)	(0.02)	(11.04)	(0.06)	31.11	0.16	(32.43)	(0.76)	(20.20)	(0.44)
Income tax relating to these items	0.30	0.00	5.89	0.03	(10.91)	(0.05)	5.53	0.13	5.89	0.13
Total other comprehensive income	**30.97**	**0.23**	**77.78**	**0.45**	**54.49**	**0.27**	**(14.22)**	**(0.33)**	**(25.43)**	**(0.56)**
Total comprehensive income for the year/period	**363.05**	**2.64**	**253.81**	**1.47**	**401.27**	**2.01**	**28.11**	**0.66**	**62.15**	**1.36**

THREE MONTHS ENDED JUNE 30, 2024 COMPARED WITH THREE MONTHS ENDED JUNE 30, 2023

Total Income

Total income increased by 7.27% from ₹ 4,246.42 crore in the three months ended June 30, 2023 to ₹ 4,555.02 crore in the three months ended June 30, 2024 primarily on account of an increase in revenue from operations.

Revenue from Operations

Revenue from operations increased by 6.32% from ₹ 4,243.59 crore in the three months ended June 30, 2023 to ₹ 4,511.89 crore in the three months ended June 30, 2024, primarily on account of increase in sale of products from ₹ 546.42 crore in the three months ended June 30, 2023 to ₹ 671.63 crore in the three months ended June 30, 2024 and increase in construction contract revenue from ₹ 3,562.41 crore in the three months ended June 30, 2023 to ₹ 3,768.51 crore in the three months ended June 30, 2024.

Other Income

Other income increased from ₹ 2.83 crore in the three months ended June 30, 2023 to ₹ 43.13 crore in the three months ended June 30, 2024 primarily on account of increase in interest from financial assets to ₹ 27.10 crore in the three months ended June 30, 2024 compared to 2.29 crore in the three months ended June 30, 2023 and interest on income tax refund to ₹ 5.94 crore in the three months ended June 30, 2024 compared to ₹ 0.30 crore in the three months ended June 30, 2024. As a result total interest income increased to ₹ 33.55 crore in the three months ended June 30, 2024 compared to ₹ 2.59 crore in the three months ended June 30, 2023.

Expenses

Total expenses increased by 5.79% from ₹ 4,199.72 crore in the three months ended June 30, 2023 to ₹ 4,442.98 crore in the three months ended June 30, 2024, primarily due to an increase in cost of materials consumed from ₹ 1,609.64 crore in the three months ended June 30, 2023 to ₹ 1,795.49 crore in the three months ended June 30, 2024.

Cost of materials consumed

Cost of materials consumed increased by 11.55% from ₹ 1,609.64 crore in the three months ended June 30, 2023 to ₹ 1,795.49 crore in the three months ended June 30, 2024 primarily due to business growth and change in project mix across our SBUs. Cost of materials consumed includes manufacturing cost of towers, raw materials and project bought outs. The cost towards material consumed may vary quarter on quarter, depending upon the revenue ratio of different SBUs and the stage at which these respective projects are.

Erection and sub-contracting expenses

Erection and sub-contracting expenses decreased by 4.14% from ₹ 1,715.57 crore in the three months ended June 30, 2023 to ₹ 1,644.56 crore in the three months ended June 30, 2024.

The same has changed due to our project mix being executed during the period. There was an increase in erection/ construction materials consumed from ₹ 531.69 crore in the three months ended June 30, 2023 to ₹ 626.06 crore in the three months ended June 30, 2024. Expenses towards erection & sub-contracting depends upon the type and stage of a contract. Construction/erection expenses in the Civil business will be significantly higher than the projects in the T&D business. The expenses towards erection costs may vary quarter on quarter, depending upon the revenue ratio of different SBUs and the stage at which these respective projects are.

Employee Benefits Expense

Employee benefits expenses increased by 4.42% from ₹ 353.91 crore in the three months ended June 30, 2023 to ₹ 369.55 crore in the three months ended June 30, 2024, primarily due to increase in salary, wages and other allowances.

Finance Costs

Finance costs decreased by 2.36% from ₹ 158.70 crore in the three months ended June 30, 2023 to ₹ 154.95 crore in the three months ended June 30, 2024, primarily due to better working capital management.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 11.29% from ₹ 41.79 crore in the three months ended June 30, 2023 to ₹ 46.51 crore in the three months ended June 30, 2024, primarily due to increase in depreciation on increased capital expenditure.

Other Expenses

Other expenses decreased by 3.84% from ₹ 451.5 crore in the three months ended June 30, 2023 to ₹ 434.15 crore in the three months ended June 30, 2024, primarily due to a decrease in professional fees from ₹ 65.58 crore in the three months ended June 30, 2023 to ₹ 34.41 crore in the three months ended June 30, 2024.

Profit before tax

As a result of the above, we generated a profit before tax of ₹ 112.04 crore in the three months ended June 30, 2024 from ₹ 46.70 crore in the three months ended June 30, 2023.

Tax Expense

Income tax expense increased from ₹ 4.37 crore in the three months ended June 30, 2023 to ₹ 24.46 crore in the three months ended June 30, 2024 on account of combination of various factors including increase in profit before tax, differential tax rates and non-deductible expenses.

Profit for the period

For the reasons discussed above, our profit for the period was ₹ 87.58 crore in the three months ended June 30, 2024 compared to ₹ 42.33 crore in the three months ended June 30, 2023.

Earnings before Interest, Taxes, Depreciation and Amortisation

EBITDA was ₹ 244.36 crore in the three months ended June 30, 2023 and ₹ 270.37 crore in the three months ended June 30, 2024, while EBITDA Margin (EBITDA as a percentage of revenue from operations) was 5.76% in the three months ended June 30, 2023 and 5.99% in the three months ended June 30, 2024. For reconciliation of EBITDA and Adjusted EBITDA Margin, see " – *Non GAAP Measures – Reconciliation of EBITDA and EBITDA Margin*" on page 108.

FISCAL 2024 COMPARED TO FISCAL 2023

Total Income

Total income increased by 15.33% from ₹ 17,313.03 crore in Fiscal 2023 to ₹ 19,966.58 crore in Fiscal 2024 primarily on account of an increase in revenue from operations.

Revenue from Operations

Revenue from operations increased by 15.23% from ₹ 17,281.71 crore in Fiscal 2023 to ₹ 19,914.17 crore in Fiscal 2024 mainly on account of an increase in construction contracts revenue from ₹ 14,709.15 crore in Fiscal 2023 to

₹ 16,607.65 crore in Fiscal 2024, and an increase in revenue from sale of products from ₹ 2,253.47 crore in Fiscal 2023 to ₹ 2,943.86 crore in Fiscal 2024.

Other Income

Other income increased by 67.34% from ₹ 31.32 crore in Fiscal 2023 to ₹ 52.41 crore in Fiscal 2024, mainly on account of an increase in interest on income tax refund from ₹ 7.01 crore in Fiscal 2023 to ₹ 27.38 crore in Fiscal 2024.

Expenses

Total expenses increased by 13.92% from ₹ 17,152.05 crore in Fiscal 2023 to ₹ 19,540.09 crore in Fiscal 2024, primarily due to an increase in erection and sub-contracting expenses from ₹ 6,552.24 crore in Fiscal 2023 to ₹ 7,176.82 crore in Fiscal 2024, an increase in finance costs from ₹ 538.59 crore in Fiscal 2023 to ₹ 655.13 crore in Fiscal 2024.

Cost of materials consumed

Cost of materials consumed increased by 20.72% from ₹ 6,969.83 crore in Fiscal 2023 to ₹ 8,413.69 crore in Fiscal 2024, mainly due to an increase in primarily due to business growth and change in project mix. Cost of materials consumed includes manufacturing cost of towers, raw materials and project bought outs. The cost towards material consumed may vary quarter on quarter, depending upon the revenue ratio of different SBUs and the stage at which these respective projects are.

Change in inventories of finished goods and work-in-progress

Change in inventories of finished goods and work-in-progress were ₹ 98.77 crore in Fiscal 2023 compared to ₹ (5.70) crore in Fiscal 2024 on account of a decrease in inventories at the beginning of the year from ₹ 423.19 crore in Fiscal 2023 to ₹ 324.42 crore in Fiscal 2024.

Erection and sub-contracting expenses

Erection and sub-contracting expenses increased by 9.53% from ₹ 6,552.24 crore in Fiscal 2023 to ₹ 7,176.82 crore in Fiscal 2024, mainly on account of an increase in erection / construction materials consumed from ₹ 2,234.50 crore in Fiscal 2023 to ₹ 2,905.38 crore in Fiscal 2024. Expenses towards erection & sub-contracting depends upon the type and stage of a contract. Construction/erection expenses in the Civil business will be significantly higher than the projects in the T&D business. The expenses towards erection costs may vary quarter on quarter, depending upon the revenue ratio of different SBU sand the stage at which these respective projects are.

Employee Benefits Expense

Employee benefits expenses increased by 6.22% from ₹ 1,356.24 crore in Fiscal 2023 to ₹ 1,440.63 crore in Fiscal 2024, mainly on account of an increase in salaries, wages and other allowances from ₹ 1,224.89 crore in Fiscal 2023 to ₹ 1,293.53 crore in Fiscal 2024.

Finance Costs

Finance costs increased by 21.64% from ₹ 538.59 crore in Fiscal 2023 to ₹ 655.13 crore in Fiscal 2024 primarily on account of an increase in interest rates by the Reserve Bank of India and federal interest rates in the United States and higher borrowings.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 14.79% from ₹ 161.48 crore in Fiscal 2023 to ₹ 185.36 crore in Fiscal 2024, primarily on account of depreciation on property, plant and equipment from ₹ 121.80 crore in Fiscal 2023 to ₹ 145.96 crore in Fiscal 2024 as a result of additional capital expenditure incurred during the year.

Other Expenses

Other expenses increased by 13.51% from ₹ 1,474.90 crore in Fiscal 2023 to ₹ 1,674.16 crore in Fiscal 2024, primarily on account of an increase in:

- allowance for bad and doubtful debts from ₹ 32.80 crore in Fiscal 2023 to ₹ 90.91 crore in Fiscal 2024;

- bank charges (guarantee, letter of credit and other) from ₹ 117.16 crore in Fiscal 2023 to ₹ 141.39 crore in Fiscal 2024;
- tools, non-erection stores and maintenance spares consumed from ₹ 22.70 crore in Fiscal 2023 to ₹ 40.42 crore in Fiscal 2024; and
- miscellaneous expenses from ₹ 233.74 crore in Fiscal 2023 to ₹ 266.92 crore in Fiscal 2024.

Profit before tax

For the reasons discussed above, we generated a profit before tax of ₹ 426.49 crore in Fiscal 2024 from ₹ 160.98 crore in Fiscal 2023.

Tax Expense

Income tax expense increased from a credit of ₹ 15.05 crore in Fiscal 2023 to income tax expenses of ₹ 79.01 crore in Fiscal 2024 on account of combination of various factors including increase in profit before tax, differential tax rates, tax reversal and non-deductible expenses. During Fiscal 2023, SAE towers incurred losses therefore we had deferred tax assets. During Fiscal 2024, SAE Towers generated profits and accordingly we had income tax expenses Fiscal 2024.

Profit for the year

For the reasons discussed above, our profit for the year was ₹ 346.78 crore in Fiscal 2024 as compared to profit for the year of ₹ 176.03 crore in Fiscal 2023.

Earnings before Interest, Taxes, Depreciation and Amortisation

EBITDA was ₹ 829.73 crore in Fiscal 2023 and ₹ 1,214.57 crore in Fiscal 2024, while EBITDA Margin (EBITDA as a percentage of revenue from operations) was 4.80% in Fiscal 2023 and 6.10% in Fiscal 2024. For reconciliation of EBITDA and EBITDA Margin, see " – *Non GAAP Measures – Reconciliation of EBITDA and EBITDA Margin*" on page 108.

FISCAL 2023 COMPARED TO FISCAL 2022

Total Income

Total income increased by 25.86% from ₹ 13,755.69 crore in Fiscal 2022 to ₹ 17,313.03 crore in Fiscal 2023 primarily on account of an increase in revenue from operations.

Revenue from Operations

Revenue from operations increased by 25.76% from ₹ 13,742.26 crore in Fiscal 2022 to ₹ 17,281.71 crore in Fiscal 2023 mainly on account of an increase in construction contracts revenue from ₹ 12,113.29 crore in Fiscal 2022 to ₹ 14,709.15 crore in Fiscal 2023.

Other Income

Other income increased from ₹ 13.43 crore in Fiscal 2022 to ₹ 31.32 crore in Fiscal 2023, mainly on account of an increase in:

- interest on bank deposits (at amortised cost) from ₹ 1.31 crore in Fiscal 2022 to ₹ 2.00 crore in Fiscal 2023;
- other non-operating income in profit on sale of property, plant and equipment from ₹ 0.86 crore in Fiscal 2022 to ₹ 4.28 crore in Fiscal 2023; and
- interest on income tax refund from ₹ 5.02 crore in Fiscal 2022 to ₹ 7.01 crore in Fiscal 2023.

Expenses

Total expenses increased by 28.84% from ₹ 13,312.62 crore in Fiscal 2022 to ₹ 17,152.05 crore in Fiscal 2023, primarily due to an increase in erection and sub-contracting expenses from ₹ 4,509.15 crore in Fiscal 2022 to ₹ 6,552.24 crore in Fiscal 2023, and an increase in cost of materials consumed from ₹ 6,090.81 crore in Fiscal 2022 to ₹ 6,969.83 crore in Fiscal 2023.

Cost of materials consumed

Cost of materials consumed increased by 14.43% from₹ 6,090.81 crore in Fiscal 2022 to ₹ 6,969.83 crore in Fiscal 2023, mainly due to primarily due to business growth and change in project mix.

Change in inventories of finished goods and work-in-progress

Change in inventories of finished goods and work-in-progress increased from ₹ (141.79) crore in Fiscal 2022 to ₹ 98.77 crore in Fiscal 2023 on account of an increase in inventories at the beginning of the year from ₹ 281.40 crore in Fiscal 2022 to ₹ 423.19 crore in Fiscal 2023.

Erection and sub-contracting expenses

Erection and sub-contracting expenses increased by 45.31% from ₹ 4,509.15 crore in Fiscal 2022 to ₹ 6,552.24 crore in Fiscal 2023, mainly on account of an increase in erection / construction materials consumed from ₹ 1,161.38 crore in Fiscal 2022 to ₹ 2,234.50 crore in Fiscal 2023 and an increase in sub-contracting expenses from ₹ 2,720.41 crore in Fiscal 2022 to ₹ 3,391.07 crore in Fiscal 2023. Expenses towards erection & sub-contracting depends upon the type and stage of a contract. Construction/erection expenses in the Civil business will be significantly higher than the projects in the T&D business. The expenses towards erection costs may vary quarter on quarter, depending upon the revenue ratio of different SBU sand the stage at which these respective projects are.

Employee Benefits Expense

Employee benefits expenses increased by 7.75% from ₹ 1,258.66 crore in Fiscal 2022 to ₹ 1,356.24 crore in Fiscal 2023, primarily on account of an increase in salaries and wages from ₹ 1,154.78 crore in Fiscal 2022 to ₹ 1,215.90 crore in Fiscal 2023.

Finance Costs

Finance costs increased by 70.44 % from ₹ 316.00 crore in Fiscal 2022 to ₹ 538.59 crore in Fiscal 2023 primarily on account of an increase in interest rate and higher borrowings.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 2.29% from ₹ 157.86 crore in Fiscal 2022 to ₹ 161.48 crore in Fiscal 2023, primarily on account of an increase in depreciation of property, plant and equipment from ₹ 105.87 crore in Fiscal 2022 to ₹ 121.80 crore in Fiscal 2023on account of additional capital expenditure incurred during the year.

Other Expenses

Other expenses increased by 31.46% from ₹ 1,121.93 crore in Fiscal 2022 to ₹ 1,474.90 crore in Fiscal 2023, primarily on account of an increase in:

- freight and forwarding (net) from ₹ 279.03 crore in Fiscal 2022 to ₹ 369.05 crore in Fiscal 2023;
- rent from ₹ 44.62 crore in Fiscal 2022 to ₹ 57.22 crore in Fiscal 2023;
- bank (guarantee, letter of credit and other) charges from ₹ 96.52 crore in Fiscal 202 to ₹ 117.16 crore in Fiscal 2023; and
- travelling and conveyance from ₹ 88.24 crore in Fiscal 2022 to ₹ 115.39 crore in Fiscal 2023.

Profit before exceptional items and tax

Profit before exceptional items and tax decreased from ₹ 443.07 crore in Fiscal 2022 to ₹ 160.98 crore in Fiscal 2023.

Exceptional items

Exceptional items were ₹ 43.64 crore in Fiscal 2022 compared to nil in Fiscal 2023. During the quarter ended September 30, 2021, we recorded a charge of ₹ 43.64 crore net of provision towards write-off of its receivables, consequent to the order of the Supreme Court of South Africa, dated October 6, 2021, in a case with a customer in South Africa.

Profit after exceptional items and before tax

For the reasons discussed above, profit after exceptional items and before tax decreased from ₹ 399.43 crore in Fiscal 2022 to ₹ 160.98 crore in Fiscal 2023.

Tax Expense

Income tax expense decreased from ₹ 67.35 crore in Fiscal 2022 to a credit of ₹ 15.05 crore in Fiscal 2023 on account of combination of various factors including decrease in profit before tax, differential tax rates, tax reversal and non-deductible expenses.

Profit for the year

For the reasons discussed above, our profit for the year decreased from ₹ 332.08 crore in Fiscal 2022 as compared to a profit for the year of ₹ 176.03 crore in Fiscal 2023.

Earnings before Interest, Taxes, Depreciation and Amortisation

EBITDA was ₹ 903.50 crore in Fiscal 2022 and ₹ 829.73 crore in Fiscal 2023, while EBITDA Margin (Adjusted EBITDA as a percentage of Revenue from operations) was 6.57% in Fiscal 2022 and 4.80% in Fiscal 2023. For reconciliation of EBITDA and EBITDA Margin, see " – *Non GAAP Measures – Reconciliation of EBITDA and EBITDA Margin*" on page 108.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations through internal accruals for organic as well as inorganic expansion.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal		
	2022	2023	2024
	(₹ crore)		
Net cash flow generated from / (used in) operating activities	(283.71)	606.73*	311.14
Net cash flow used in investing activities	(204.69)	(135.20)	(223.06)
Net cash flow (used in) / generated from financing activities	495.86	(400.81)	(144.67)
Net (decrease)/ increase in cash and cash equivalents	7.46	70.72	(56.59)
Cash and cash equivalents at the end of the year	207.63	281.16	205.10

** ₹ 613.74 crore in the comparative number for Fiscal 2023 presented in the audited consolidated financial statements for Fiscal 2024 due to reclassification adjustments.*

Operating Activities

Fiscal 2024

In Fiscal 2024, net cash flow generated from operating activities was ₹ 311.14 crore. Profit for the year after tax was ₹ 346.78 crore and adjustments primarily consisted of finance costs of ₹ 655.13 crore, depreciation and amortisation expense of ₹ 185.36 crore; allowance for bad and doubtful debts, loans and advances (net of reversal) of ₹ 90.91 crore; and net unrealized exchange loss of ₹ 47.02 crore. This was partially offset by interest income of ₹ (45.32) crore.

The main changes in working capital included an increase in trade payables of ₹ 807.99 crore and decrease in trade receivables of ₹ 144.68 crore. This was partially offset by an increase in contract assets of ₹ 1,645.80 crore and an increase in other current assets of ₹ 132.73 crore. Cash generated from operations was ₹ 563.27 crore. Taxes paid (net of refunds and interest on refunds) was ₹ (252.13) crore.

Fiscal 2023

In Fiscal 2023, net cash flow generated from operating activities was ₹ 606.73 crore. Profit for the year after tax was ₹ 176.03 crore and adjustments primarily consisted of finance costs of ₹ 538.59 crore, depreciation and amortisation expense of ₹ 161.48 crore and allowance for bad and doubtful debts, loans and advances (net) of ₹ 32.80 crore. This was partially offset by net unrealised exchange (gain) of ₹ (46.44) crore, interest income of ₹ (23.20) crore and income tax expense of ₹ (15.05) crore.

The main changes in working capital included an increase in trade payables of ₹ 1,515.27 crore. This was partially offset by an increase in trade receivables of ₹ 1,602.52 crore; increase in contract assets of ₹ 132.38 crore; increase in other financial assets of ₹ 86.09 crore; and increase in inventories of ₹ 46.80 crore. Cash generated from operations was ₹ 828.27 crore. Taxes paid (net of refunds) was ₹ (221.54) crore.

Fiscal 2022

In Fiscal 2022, net cash flow used in operating activities was ₹ 283.71 crore. Profit for the year after tax was ₹ 332.08 crore and adjustments primarily consisted of finance costs of ₹ 316.00 crore and depreciation and amortisation expense of ₹ 157.86 crore. This was partially offset by mark to market gain on forward and commodity contracts of ₹ (12.36) crore.

The main changes in working capital included an increase in trade payables of ₹ 692.48 crore and an increase in contract liabilities of ₹ 308.94 crore. This was partially offset by an increase in contract assets of ₹ 1,580.48 crore and increase in other current assets of ₹ 311.59 crore.

Investing Activities

Fiscal 2024

Net cash flow used in investing activities was ₹ (223.06) crore in Fiscal 2024, primarily on account of capital expenditure on property, plant and equipment & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) of ₹ (237.38) crore. This was partially offset by interest received of ₹ 15.70 crore.

Fiscal 2023

Net cash flow used in investing activities was ₹ (135.20) crore in Fiscal 2023, primarily on account of capital expenditure on property, plant and equipment & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) of ₹ (178.29) crore. This was partially offset by interest received of ₹ 23.42 crore.

Fiscal 2022

Net cash flow used in investing activities was ₹ (204.69) crore in Fiscal 2022, primarily on account of capital expenditure on property, plant and equipment & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) of ₹ (143.14) crore and acquisition of subsidiary of ₹ (56.93) crore. This was partially offset by interest received of ₹ 10.58 crore.

Financing Activities

Fiscal 2024

Net cash flow used in financing activities was ₹ (144.67) crore in Fiscal 2024, primarily on account of increase in short-term borrowings (net) of ₹ 852.19 crore and proceeds from other than short-term borrowings of ₹ 169.90 crore. This was partially offset by finance costs paid of ₹ (648.85) crore, and repayments of other than short-term borrowings of ₹ (414.14) crore.

Fiscal 2023

Net cash flow used in financing activities was ₹ (400.81) crore in Fiscal 2023, primarily on account of proceeds from other than short-term borrowings of ₹ 381.51 crore. This was partially offset by finance costs paid of ₹ (534.43) crore and dividend paid of ₹ (102.85) crore.

Fiscal 2022

Net cash flow generated from financing activities was ₹ 495.86 crore in Fiscal 2022, primarily on account of net increase in short-term borrowings of ₹ 741.28 crore and proceeds from other than short-term borrowings of ₹ 172.55 crore. This was partially offset by finance costs paid of ₹ (272.48) crore and dividend paid of ₹ (102.53) crore.

INDEBTEDNESS

As of March 31, 2024, our total outstanding borrowings (including current borrowings and non-current borrowings) were ₹ 3,812.32 crore.

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2024, and our repayment obligations in the periods indicated:

Particulars	**As of March 31, 2024**			
	Payment due by period			
	Total	**Less than one year**	**One to four years**	**More than 4 years**
	(₹ crore)			
Current Borrowings				
Secured	2,176.18	2,176.18	-	-
Unsecured	1,383.28	1,383.28	-	-
Total Current Borrowings (A)	3,559.46	3,559.46	-	-
Non-current Borrowings				
Secured	16.85	-	16.85	-
Unsecured	236.01	-	236.01	-
Total Non-current Borrowings (B)	252.86	-	252.86	-
Total (A+B)	3,812.32	3,559.46	252.86	-

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2024, our contingent liabilities (excluding financial guarantees) were as follows:

S. No.	**Particulars**	**Relating to various years comprise in the period**	**Amount (₹ crore)**
1.	Sales tax / Value Added Tax* (Tax/Penalty/Interest)	1994-2021	47.22
2.	Excise Duty * (Tax/Penalty/Interest)	2008-2018	11.83
3.	Service Tax * (Tax/Penalty/ Interest)	2008-2016	4.05
4.	Entry Tax* (Tax/Penalty/Interest)	2010-2012	0.31
5.	Goods & Services Tax (Tax/Penalty/Interest)	2018-2021	0.27
6.	(1) Income Tax matters of the Company mainly on disallowance of depreciation and Tax levied on guarantees given to Associated Enterprises, etc.	Assessment Year 2020-2021 Assessment Year 2021-022	3.96
	(2) Income Tax matters at overseas unit/s of the Company**	2002-2021	11.21
	(3) Income Tax matters of a jointly controlled operation (Company's share)**	2013-2017	4.39
	(4) Income tax matter of a subsidiary	Assessment Year 2022-2023	0.04
7.	Customs Duty^	1995-1996	0.60
8.	Civil Suits^^	-	38.57
9.	Guarantees excluding financial guarantees :- Surety bonds obtained by Company's Subsidiaries in Brazil, Mexico and the United States for certain customer contracts.	-	508.31

Notes:

Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

**These claims mainly relate to the issues of applicability, issue of disallowance of cenvat / VAT credit and in case of Sales Tax/ Value added tax, also relate to the issue of submission of relevant forms and the Group's claim of exemption for MVAT on export sales and services.*

*** These claims mainly relate to the issues of appropriate jurisdiction for tax applicability at overseas locations.*

^ These claims mainly relate to the issues of clearance of goods from customs within time limit.

^^ These suits includes Civil suits as well as Industrial relations & labour laws cases.

Except as disclosed elsewhere in this Preliminary Placement Document, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CAPITAL EXPENDITURES

In Fiscal 2024, our capital expenditure (which represents capitalization to fixed assets plus closing work in progress less opening capital work in progress) towards various additions to fixed asset was ₹ 225.16 crore and capitalization to fixed assets was ₹ 222.69 crore.

In Fiscal 2023, our capital expenditure (which represents capitalization to fixed assets plus closing work in progress less opening capital work in progress) towards various addition to fixed assets was ₹ 171.04 crore and capitalization to fixed assets was ₹ 162.05 crore.

In Fiscal 2022, our capital expenditure (which represents capitalization to fixed assets plus closing work in progress less opening capital work in progress) towards various addition to fixed assets was ₹ 131.95 crore and capitalization to fixed assets was ₹ 147.39 crore.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include key management personnel compensation, rent income, sale of material, sundry balance written off, interest expense, purchase of material, other direct expenses, corporate social responsibility expenditure, labour and material contractual expenses, reimbursement of expenses, security charges, repairs and maintenance others, outsourced manpower cost, technical and consultancy fees and dividend income.

Related parties with whom transactions have taken place during the period / year include our key management personnel, associates, joint venture and entities in which our key management personnel exercise significant influence.

INTEREST COVERAGE RATIO

The table below provides reconciliation of our interest coverage ratio:

(in ₹ crore except ratio)

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit for the year/period	332.08	176.03	346.78	42.33	87.58
Finance cost	316.00	538.59	655.13	158.70	154.95
Depreciation and amortisation expense	157.86	161.48	185.36	41.79	46.51
Loss on sale of Fixed assets	0.67	0.95	2.64	0.34	1.64
Total (A)	**806.61**	**877.05**	**1,189.91**	**243.16**	**290.67**
Finance Cost	316.00	538.59	655.13	158.70	154.95
Total (B)	**316.00**	**538.59**	**655.13**	**158.70**	**154.95**
Interest coverage ratio (C=A/B)	**2.55**	**1.63**	**1.82**	**1.53**	**1.88**

AUDITOR'S OBSERVATIONS

Except as set out below, our Statutory Auditors have not included any qualifications, reservations or emphasis of matters in their audit reports in the last five Fiscals:

Financial year/period ended	Date of Signing	Information	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*
June 30, 2024	July 26,2024	Emphasis of Matters	We draw attention to Note 5 of the Statement, regarding the Parent's net exposure of Rs.	The Company was executing few projects in Afghanistan, which are kept on hold due to force majeure event. The	NA

Financial year/period ended	Date of Signing	Information	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*
			172 crores (including exposure of Afghanistan branch), from its transmission line projects in Afghanistan as at June 30, 2024, which are kept on hold due to Force Majeure event and as per management, the probability of resumption of work is considered as remote. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Our opinion is not modified in respect of this matter.	Company does not expect any material financial impact due to this event, as the projects are funded by international funding agencies Asian Development Bank (ADB), USAID and World Bank. Till June 30, 2024, the Company has realized outstanding amounts pursuant to the settlement with USAID of Rs. 148 crores and partial payments from the World Bank of Rs. 296 crores. ADB has also communicated to resolve the outstanding payments and has appointed a third-party agency, United Nations Office for Project Services, for verification of the physical work. The Company is closely monitoring the situation and given the current geopolitical environment in Afghanistan, probability of resumption of work is remote. As of June 30, 2024, the Company has a net exposure of Rs. 172 crore (translated at period end exchange rate), including exposure of Afghanistan branch after netting off advances, liabilities and adjusting contract liabilities. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed	

Financial year/period ended	Date of Signing	Information	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*
				beyond their existing validity date(s), except bank guarantees in respect of one project, which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking making or receiving payment under the bank guarantees.	
March 31, 2024	May 07,2024	Emphasis of Matters	We draw attention to Note 62 of the consolidated financial statements, regarding the Parent Company's net exposure of Rs. 245 crores (including Afghanistan branch exposure) from its transmission line projects in Afghanistan as at March 31, 2024, which are kept on hold due to Force Majeure event where as per management, the probability of resumption of work is considered as remote. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Our opinion is	The Company was executing few projects in Afghanistan, which are kept on hold due to force majeure event. The Company does not expect any material financial impact due to this event, as the projects are funded by international funding agencies (Asian Development Bank (ADB), USAID and World Bank). During the year, the Company has realized outstanding amounts pursuant to the settlement with USAID of Rs. 148 crores and partial payments from the World Bank of Rs. 133 crores. Subsequent to the year end an amount of Rs. 109 crores has been realized from the World Bank in April 2024. ADB has also communicated to resolve the outstanding payments and has appointed a third-	NA

Financial year/period ended	Date of Signing	Information	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*
			not modified in respect of this matter	party agency, United Nations Office for Project Services, for verification of the physical work. The Company is closely monitoring the situation and given the current geopolitical environment in Afghanistan, probability of resumption of work is remote. As of March 31, 2024, the Company has a net exposure of Rs. 245 crore (translated at period end exchange rate), including exposure of Afghanistan branch after netting off advances, liabilities and adjusting contract liabilities. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed beyond their existing validity date(s), except bank guarantees in respect of one project, which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking making or receiving payment under the bank guarantees.	
March 31, 2024	May 07,2024	Report on Other Legal and Regulatory Requirements	i) Based on our examination, which included test checks and that performed by the respective auditors of	None	NA

Financial year/period ended	Date of Signing	Information	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*
			branches and subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, its branches and subsidiary companies incorporated in India have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that: (a) in case of the Parent Company, the audit trail is not maintained in case of any changes by users with certain privileged access and for any direct database changes to its accounting software, and (b) in case of four branches, the respective branch auditors have not commented on the feature of recording audit trail (edit log) for the books of account maintained by these branches. During the course of our		

Financial year/period ended	Date of Signing	Information	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*
			audit and basis the report of the branch auditors and the auditors of the subsidiary companies incorporated in India, except for the aforesaid instances, where the question of our commenting on whether the audit trail has been tampered with does not arise, we or the branch auditors or the auditors of subsidiary companies incorporated in India did not notice any instance of audit trail feature being tampered with. ii) 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 except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). iii) With respect to the maintenance of		

Financial year/period ended	Date of Signing	Information	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*
			accounts and other matters connected therewith, reference is made to our remarks in paragraph 19(b) above on reporting under Section 143(3)(b) of the Act		
March 31, 2023	May 03, 2023	Emphasis of Matters	We draw attention to Note 66(a) of the consolidated financial statements, regarding the Parent Company's net exposure of Rs. 252 crores (including exposure of Rs. 79.20 crores in the Afghanistan branch) after netting off advances, liabilities (including contract liabilities) and proposed settlement with a funding agency from its transmission line projects in Afghanistan as at March 31, 2023, which are currently on hold due to Force Majeure event. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Audit report on the Financial Statements of	The Company is executing a few projects in Afghanistan, which are currently on hold due to force majeure event. The Company is closely monitoring the situation and expects 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 international funding agencies (Asian Development Bank, USAID and World Bank). As at March 31, 2023, the Company has a net exposure of Rs. 252 crore (translated at period end exchange rate) including Afghanistan branch exposure of Rs.79.20 crore, after netting off advances, liabilities (including contract liabilities) and proposed settlement with a funding agency. The Company is in regular discussions with its customer and the funding agencies to release payments against	NA

Financial year/period ended	Date of Signing	Information	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*
			the Afghanistan branch issued by an independent firm of chartered accountants vide its report dated April 26, 2023 include an emphasis of matter paragraph which is reproduced by us as under: ‘‘We draw attention to Note xviii of the Financial Statements, regarding Afghanistan Branch net exposure of USD 90,87,881 (equivalent to INR. 79.20 crores) to its transmission line Projects as at March, 2023, which are currently on hold due to Force Majeure event. Timeline of the recovery of said exposure is dependent upon the geopolitical environment in Afghanistan and negotiation with international funding agencies. Further, the bank guarantees issued in respect of these ongoing projects are also currently not enforceable due to the force majeure event. Note xviii as described above is reproduced as Note 66(b) to the consolidated	the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed beyond their existing validity date(s) except bank guarantees in respect of one project which has been renewed pursuant to the direction of the Hon’ble Bombay High Court. In respect of all projects under execution, the Hon’ble Bombay High Court has injuncted the banks and the customer from invoking, making or receiving payment under the bank guarantees.	

Financial year/period ended	Date of Signing	Information	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*
			financial statements for the year ended March 31, 2023 Our opinion is not modified in respect of this matter.		
March 31, 2022	May 03, 2022	Emphasis of Matters	We draw attention to Note 69 of the consolidated financial statements, regarding the Company's net exposure aggregating to Rs. 233 crores from its transmission line projects in Afghanistan as at March 31, 2022, which are currently on hold due to Force Majeure event. Timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Further, the bank guarantees issued by the Company in respect of the aforesaid ongoing projects are also currently not enforceable due to the force majeure event. Our opinion is not modified in respect of this matter.	The Group is executing few projects in Afghanistan, which are currently on hold due to force majeure event. The Group is closely monitoring the situation and expects to resume work once the geopolitical environment in Afghanistan is resolved. The Group does not expect any material financial impact due to this event as the projects are funded by international funding agencies (Asian Development Bank, USAID and World Bank). The Group has a net exposure of Rs. 233 crore after netting off advances, liabilities (including contract liabilities) and insurance cover as of March 31, 2022. The Group is in regular discussions with its customer and the funding agencies to release payments against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the aforesaid ongoing projects are currently not enforceable due to force majeure event.	NA

Financial year/period ended	Date of Signing	Information	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*
March 31, 2021	May 11, 2021	Emphasis of Matters	None	None	NA
March 31, 2020	May 29, 2020	Emphasis of Matters	We draw attention to Note 67 of the consolidated financial statements, regarding delays in recovery of receivable amounting to Rs.148 crore from a customer. The recovery of the amount is dependent upon transfer of contract from the customer to a new sponsor. Our opinion is not modified in respect of this matter.	The Company was in 2017 awarded a contract to complete an 880 km 765 KV and 400 KV transmission line. This project is of strategic importance for grid connectivity and stability of the southern grid. The Company has completed approximately 50% of the work involving critical activities including foundation, tower supply and erection. The project construction has been temporarily suspended since January 2019, due to liquidity issues being faced by the current sponsors of the project. As on March 31, 2020, the Company has an exposure of Rs. 148 crore. The consortium of lenders, have identified a new credible sponsor for the project and have filed a petition with the Central Electricity Regulatory Commission (CERC) for getting the name of the new sponsor approved. Management is confident of restarting the project shortly, post approval from CERC	NA

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE FINANCIAL YEARS

There have been no changes in our accounting policies in the last three Fiscals and three months ended June 30, 2024.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

Market Risk

We seek to minimise the effects of currency risk and commodity price risk by using derivative and non derivative financial instruments to hedge risk exposures. We have risk management policies to mitigate the risks in commodity and foreign exchange. The use of financial derivatives and non-derivatives is governed by our Company's policies approved by the Board of Directors, which provide written principles to use financial derivatives and non-derivative financial instruments, to hedge currency risk and commodity price risk. We do not enter into or trade financial instruments, including derivative financial instruments and non-derivative financial instruments, for speculative purposes.

Our Treasury Department prepares and submits the report on performance along with the other details relating to forex and commodity transaction to the Risk Management Committee. The periodical forex management report and commodity risk report as reviewed and approved by the Risk Management Committee is placed before the Audit Committee for review. Our activities expose us primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign Currency Risk

We operate internationally and are exposed to foreign exchange risk arising from foreign currency transactions in various currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not our functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows.

Interest Rate Risk

We are exposed to interest rate risk because we borrows funds at both fixed and floating interest rates. Our exposure to changes in interest rates relates primarily to our outstanding floating rate debt. While most of our outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk, a major portion of foreign currency debt is linked to international interest rate benchmarks like Secured Overnight Financing Rate. Our rupee borrowings are linked to variability in bank Marginal Cost of the Fund-Based Lending Rate rate, repo rate and T bill rates.

Commodity Price Risk

We are exposed to movement in metal commodity prices of Copper, Aluminium, Zinc and Lead. Most of our contracts with the Indian customers are backed by a price variation for most of these metals. However, profitability in case of firm price orders is impacted by movement in the prices of these metals. We have a well-defined hedging policy approved by Board of Directors of the Company, which to a large extent takes care of the commodity price fluctuations and minimizes the risk. For base metals like Aluminium, Copper, Zinc and Lead, the Group either places a firm order on the supplier or hedges its exposure on the London Metal Exchange (LME) directly.

The Board of Directors of the Company have established an appropriate liquidity risk management framework for the management of our short-term, medium-term and long-term funding and liquidity management requirements. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to us. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. Our major customers include government bodies and public sector undertakings. Further, many of the international projects are funded by the multilateral agencies such as World Bank, African Development Bank, Asian Development Bank, etc. For private customers, we evaluate the creditworthiness based on publicly available financial information and our historical experiences. Our exposure to our counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers. We don't have significant financing component in the contracts with customers.

We directly reduce the gross carrying amount of a financial asset when we have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amounts of financial assets are net of an allowance for doubtful accounts, estimated by us and based, in part, on the age of specific receivable balance and the current and expected collection trends. When assessing the credit risk associated with its receivables, we also consider the other financial and non-financial assets and liabilities recognized within the same project to provide additional indications on our exposure to credit risk. As such, in addition to the age of its financial assets, we also consider the age of our contracts in progress, as well as the existence of any deferred revenue or down payments on contracts on the same project or with the same client.

We have used practical expedient by computing expected credit loss allowance for trade receivable and contract assets by taking into consideration payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit loss experiences within this period for each SBU. The historical loss rates are adjusted to reflect current and forward looking information taking into account the macro economic factors affecting the ability of the customers to settle the receivables. The expected credit loss is based on the ageing of the days, the receivables due and the expected credit loss rate. In addition, in case of event driven situation as litigations, disputes, change in customer's credit risk history, specific provisions are made after evaluating the relevant facts and expected recovery

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*– Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 91 and 43, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*– Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 91 and 43, respectively. To our knowledge, except as discussed in this Preliminary Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 43, 184 and 91, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Preliminary Placement Document, we have not announced and do not expect to announce in the near future any new business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Risk Factors*", "*Industry Overview*", "*Our Business*" and on pages 43, 135 and 184, respectively, for further details on competitive conditions that we face across our various business segments.

SEGMENT REPORTING

During the year ended March 31, 2024, in line with the changes in the internal structure for reporting financial information to the entity's chief operating decision maker ("**CODM**"), we have changed our segment disclosure for the current and previous periods and identified Engineering, Procurement and Construction business (EPC) as the only reportable segment as per Ind AS 108 "Operating segments" and other operating segment has been disclosed as "Others" as follows:

a. Engineering, Procurement and Construction business: It comprises of infrastructure related projects, systems, products and related activities for power transmission and distribution, railways track laying, electrification, civil, urban infrastructure, oil and gas pipelines laying, etc.

b. Others: It comprises of sale of cables.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS/SUPPLIERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers or suppliers.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business activities and projects may be materially and adversely affected by severe weather conditions, which may force us to evacuate personnel or curtail services, replace damaged equipment and facilities or suspend our construction activities during unfavourable weather conditions.

SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as mentioned below, there have been no significant developments after June 30, 2024 that may materially and adversely affect or is likely to affect within the next 12 months, (i) the trading or profitability of our Company; (ii) value of our assets; (iii) ability to pay our liabilities.

a) On July 26, 2024, the Board of Directors of the Company has approved, issuance of non-convertible debentures ("**NCDs**"), by way of private placement(s) or any other method as may be permitted under applicable laws, in one or more tranches and/or one or more issuances, whether secured/unsecured, rated/unrated, listed/unlisted and redeemable, for an aggregate amount of up to ₹ 1,500 crore, subject to the overall borrowing limit for the Company approved by the shareholders and other requisite regulatory/statutory approvals, as may be required in terms of applicable laws.

b) On July 26, 2024, the Board of Directors of the Company has approved transfer of the Cables business of the Company on a going concern basis to its subsidiary, subject to compliance with applicable laws. Further, the Board has also approved formation of a subsidiary company for the purpose of transferring the Cable business of the Company.

c) The Board of directors, at their meeting held on May 7, 2024 recommended the final dividend of ₹ 4 per equity share for the year ended March 31, 2024, and the same has been approved by the shareholders in the Annual General Meeting held on August 22, 2024. The total dividend outgo is expected to be ₹ 102.84 crore based on number of shares outstanding as at March 31, 2024.

d) Since July 01, 2024 till the date of this Preliminary Placement Document, the Company has secured new orders aggregating to ₹ 8,215.64 crores across Transmission & Distribution, Renewables and Cables businesses.

e) On September 19,2024, CARE Ratings Limited, a rating agency has downgraded the credit rating assigned to bank facilities and instruments of the Company as under:

Facilities	Amount (₹ crore)	Rating	Rating Action
Long Term Bank Facilities	3,000.00	CARE A+; Stable	Downgraded from CARE AA-; Negative

Facilities	Amount (₹ crore)	Rating	Rating Action
Long Term / Short Term Bank Facilities	15,500.00	CARE A+; Stable/ CARE A1+	Long term rating downgraded from CARE AA- ; Outlook revised from Negative and short term rating reaffirmed
Non - Convertible Debentures	500.00	CARE A+; Stable	Assigned

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Infrastructure & Construction Industry" dated September 24, 2024 (the "CARE Report") prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE**"), appointed by us on August 9, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE 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. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report exclusively commissioned and paid for by us for the Issue." on page 69.*

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, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the CARE 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. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

OVERVIEW OF MACROECONOMIC LANDSCAPE OF INDIAN ECONOMIES VIS-À-VIS OTHER ECONOMIES

Assessment of past growth in India as compared to other developed nations

Despite the turmoil in the last 2–3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany.

Despite Covid-19's impact, high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite the global inflation and uncertainties, Indian economy continues to show resilience. This resilience is mainly supported by stable financial sector backed by well-capitalized banks and export of services in trade balance. With this, the growth of Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

Real GDP growth in India

<u>Resilience to External Shocks remains Critical for Near-Term Outlook</u>

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia–Ukraine spillovers. Real GDP in the year FY24 is estimated to grow at 8.2% at ₹ 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, will be the main driver of growth in India, amid sustained levels of business and consumer confidence. In Q1FY25, real GDP grew by 6.7% as compared to 8.2% in Q1FY24 on account of low consumer spending and soft government spending.

<u>GDP growth expected to be 7%</u>

India's domestic economic activity remains robust, driven by strong fixed investment and an improving global environment. The manufacturing and services sectors continue to thrive, supported by rising domestic demand and high-frequency indicators like E-way bills and GST revenues. The south-west monsoon is progressing well, with positive impact on agricultural output, though potential La Niña conditions could affect future production. Household consumption is buoyed by recovering rural demand and steady urban spending. Fixed investments are robust, backed by government capital expenditure, healthy bank and corporate balance sheets, and increased bank credit. While merchandise exports grew slowly in June and services exports showed double-digit growth before slowing, overall economic prospects are supported by improved agricultural activity, urban consumption, and positive global trade outlook.

Persistent geopolitical tensions and volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its August 2024 monetary policy, has projected real GDP growth at 7.2% y-o-y for FY25.

RBI's GDP Growth Outlook (Y-o-Y %)

FY25P (complete year)	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P	Q1FY26P
7.2%	7.1%	7.2%	7.3%	7.2%	7.2%

Note: P-Projected; Source: Reserve Bank of India

Consumer Price Index (%)

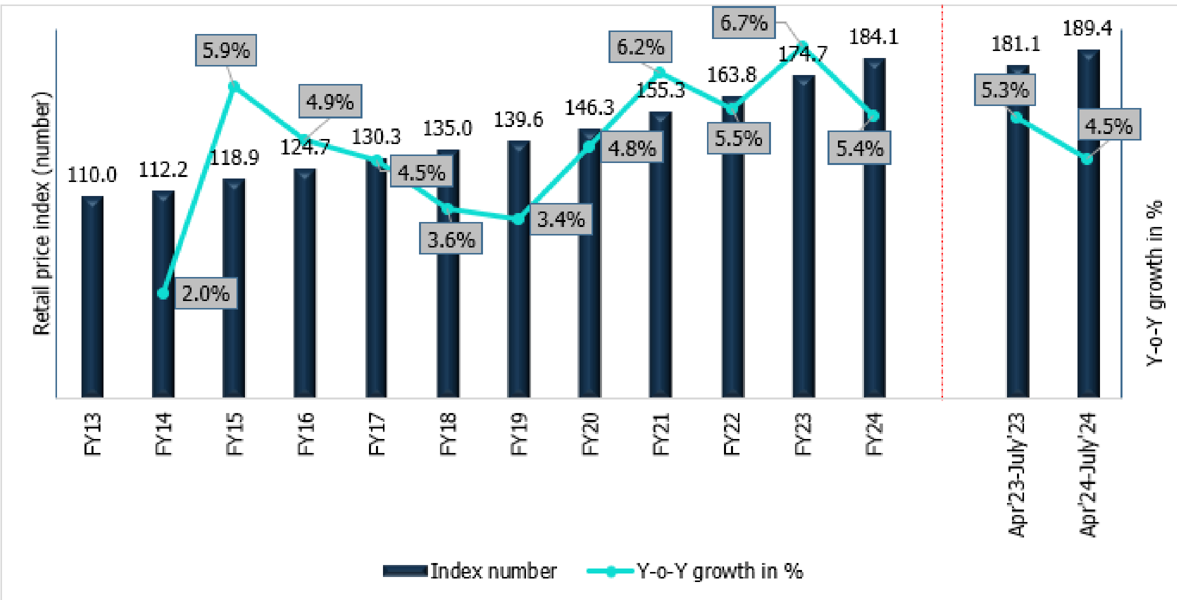
Inflation dips to a five-year low amid improved monsoon and easing global food prices

India's consumer price index (CPI) tracks retail price inflation in the economy.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

For FY24, inflation averaged 5.4%, within the RBI's target range of 2% to 6%. Notably, CPI inflation for April 2024-July 2024 declined to 4.5% year-on-year from 5.3% in the previous year, with July 2024 reporting a low of 3.5%, the lowest in five years. This decline was attributed to reduced inflation across food groups, particularly vegetables, spices, and fruits.

Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011–12=100)



Source: MOSPI

Current Account Deficit

The Current Account Deficit (CAD), which reflects the difference between a country's total foreign income and expenditures, is a key indicator of the strength of a nation's external sector. Between FY20 and FY24, India's Current Account Deficit (CAD) exhibited a current account surplus in FY21 attributed to reduced import absorption amid GDP contraction. India's CAD widened post FY21 from 1.2% in FY22 to USD 67 billion, or 2% of GDP in FY23. However, the trend reversed in FY24, with the deficit narrowing to USD 31.1 billion, or 1.2% of GDP. This reduction was driven by a decrease in the merchandise trade deficit, a rise in net services exports, and increased remittances. Robust global demand for India's service sectors, including IT, accountancy, and legal services, played a crucial role in this positive shift.

Current Account Deficit as a percentage of GDP (%)

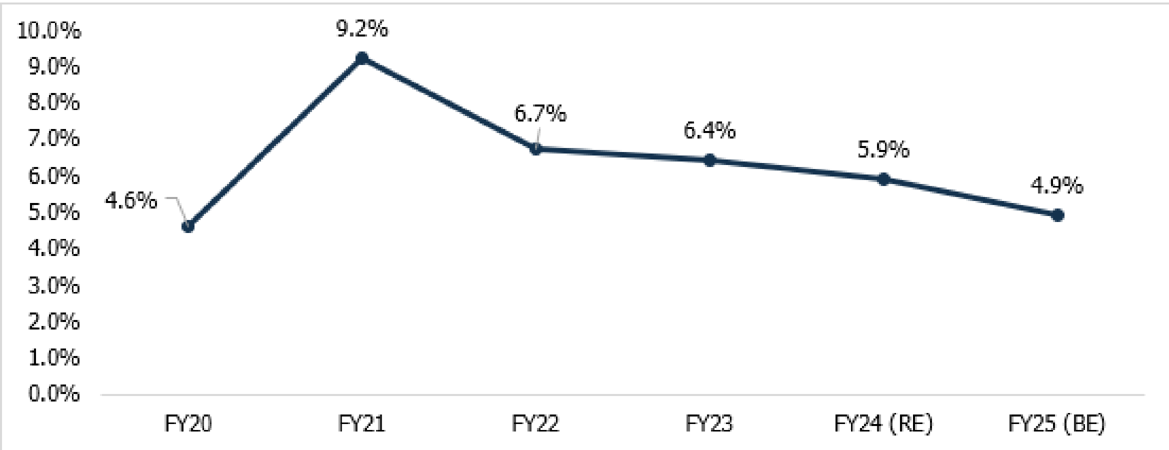
Note: P-Data are provisional and pertain to April-December 2023; Source: RBI

Fiscal Deficit (% of GDP)

Gross fiscal deficit in India refers to the total amount of government borrowing required to cover the gap between its total expenditure and total revenue, including both interest payments and new borrowings. Between FY20 and FY24, India's fiscal deficit reached a peak of 9.2% of GDP in FY21 from 4.6% in FY20 due to the economic impact of the COVID-19 pandemic, which led to lower tax revenues and increased government spending. However, the fiscal deficit has been steadily declining since FY21.

As of FY24, the fiscal deficit reduced to 5.9% of GDP, reflecting robust economic growth and effective fiscal measures. This reduction came amid increased tax receipts and higher non-tax revenue, with gross tax revenue growing by 13.4% and tax revenue buoyancy of 1.4. Despite a global trend of rising fiscal deficits and debt burdens, India has managed to progress towards fiscal consolidation. This can be observed from the lowering of fiscal deficit target to 4.9% of GDP in Union Budget 2024–25 signaling the government to maintain fiscal prudence.

Gross Fiscal Deficit (% of GDP)



Note: RE-Revised Estimates, BE-Budget Estimates; Source: RBI

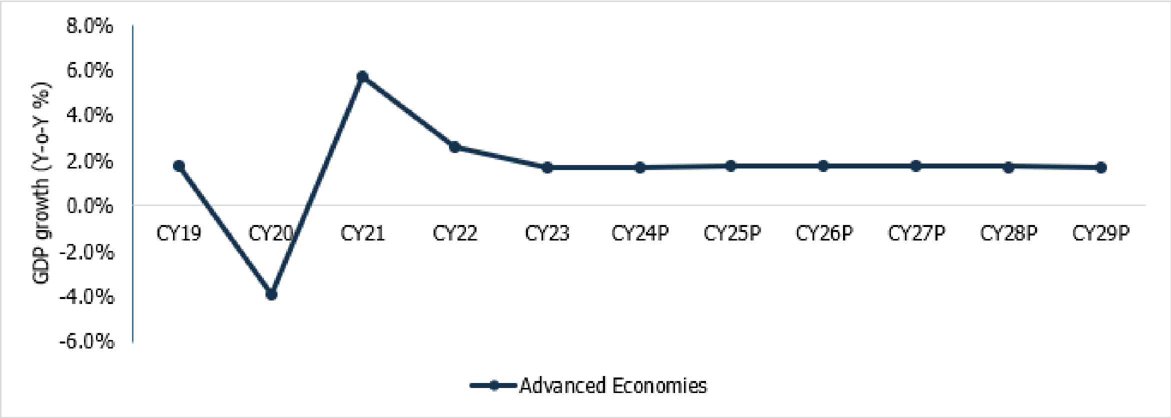
Outlook on GDP growth in India and other major economies

Economic outlook (Real GDP growth) on key developed economies

The United States is expected to see growth rise to 2.6% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labor market softening, which dampen aggregate demand. The CY24 projection has been revised downward by 0.1% points since the April CY24 WEO Update. This revision primarily reflects carryover effects from stronger-than-expected growth in the fourth quarter of CY23, with some of this momentum expected to continue into CY24.

The Euro Area's growth is anticipated to rebound from its sluggish rate of 0.5% in CY23, mainly influenced by significant exposure to the conflict in Ukraine. Projections indicate an increase to 0.9% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Additionally, strong momentum in services, higher than expected net exports, and higher investments have further driven this growth. But, countries like Germany are expected to have a sluggish recovery on account of weak manufacturing growth.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



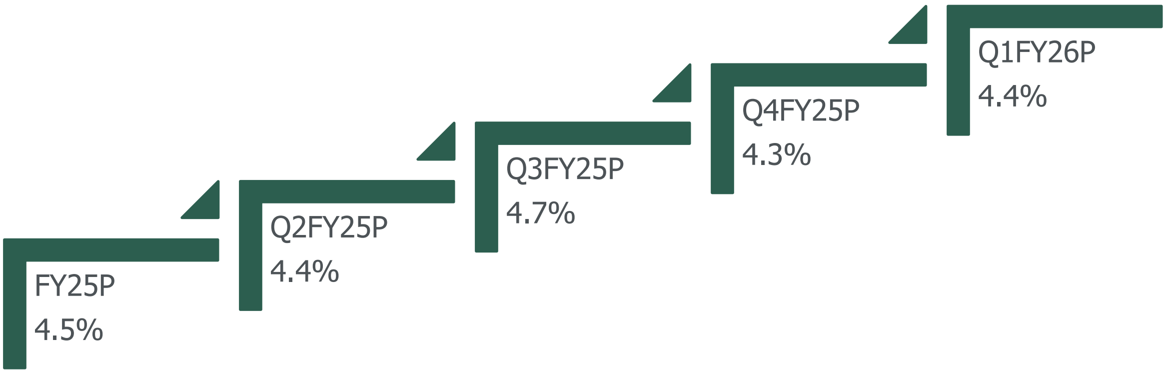
Notes: P-Projection; Source: IMF – World Economic Outlook, July 2024

Outlook on Inflation

The inflation outlook shows mixed signals, influenced by various factors. Despite recent improvements in the south-west monsoon and progress in sowing which enhance the food inflation outlook, high inflation in specific food items remains a concern. Monitoring the monsoon's distribution is crucial as it impacts food prices. Global food prices have reduced in July 2024 following increases in March, and while government measures aim to alleviate price pressures, external risks from geopolitical tensions could disrupt supply chains and affect commodity prices.

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi-monthly meeting held in August 2024, RBI projected inflation at 4.5% for FY25 with inflation during Q2FY25 at 4.4%, Q3FY25 at 4.7%, Q4FY25 at 4.3%, and Q1FY26 at 4.4%.

Outlook of Inflation



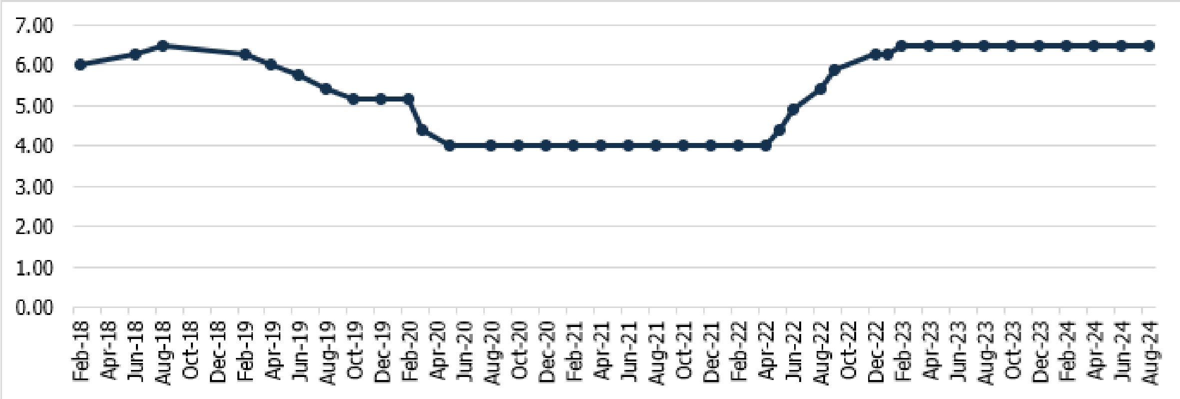
Note: P-Projected; Source: RBI

Outlook on Interest Rates (Repo Rate)

Considering the current inflation situation, the RBI has kept the repo rate unchanged at 6.5% again in the August 2024 meeting of the Monetary Policy Committee. In this meeting, the RBI also maintained the Liquidity Adjustment Facility (LAF) corridor by adjusting the Standing Deposit Facility (SDF) rate of 6.25% as the floor and the Marginal Standing Facility (MSF) at the upper end of the band at 6.75%.

Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. While headline inflation has started easing due to softening in core component and economic activity has been resilient supported by domestic and investment demand, volatility in food proces due to adverse weather conditions pose a risk to the path of disinflation. Given the uncertainities in food prices that might derail the path to bring down inflation, the central bank has decided to be vigilant and maintain an active disinflationary stance to ensure complete transmission of past rate cuts and anchoring of inflation expectations until a better alignment of the headline CPI inflation with the target is achieved, while supporting growth.

RBI Historical Repo Rate



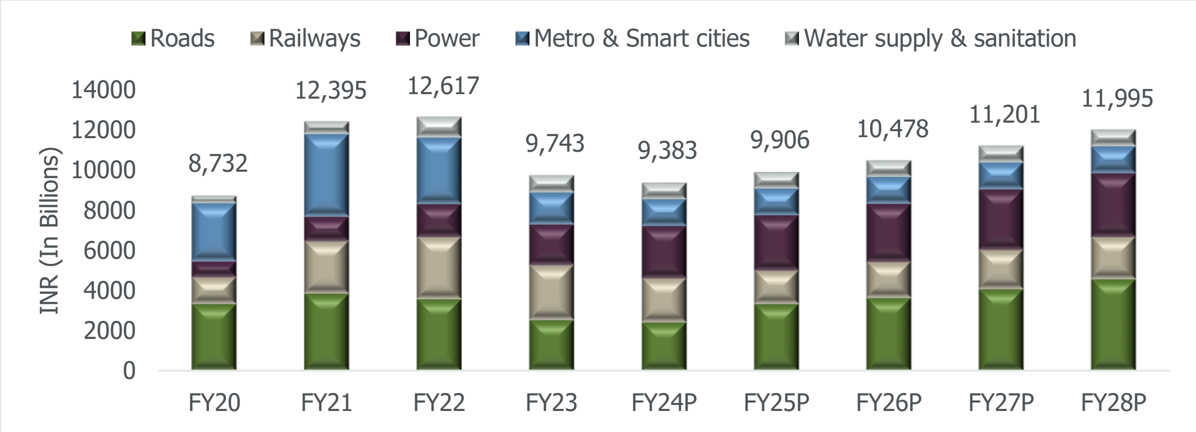
Source: RBI

Assessment of the Long-term Potential Drivers for the Economy

- **Global Offshoring and Manufacturing Hub:** India's position as a key player in global offshoring is gaining renewed momentum. Traditionally known for outsourcing services like software development and customer service, India is now expanding its role as a critical back office to the world. The rise of distributed work models and tighter global labour markets are reinforcing this trend. Beyond services, India is poised to become a major manufacturing hub. Corporate tax cuts, investment incentives, and significant infrastructure investments are driving capital inflows into manufacturing. This dual role of service outsourcing and manufacturing is expected to create a robust foundation for long-term economic growth, providing India with diverse revenue streams and strengthening its global economic position
- **Surge in Consumer Spending:** India's consumer market is on the cusp of a substantial transformation. With expectations of increased disposable income, the country’s consumption patterns are set to shift dramatically. The anticipated rise in disposable income and consumption will stimulate demand across various sectors, driving economic activity and fueling the growth of the retail and service industries. As income distribution becomes more equitable, consumer spending will play a pivotal role in bolstering economic growth
- **Advancements in Energy Access and Transition:** Energy development is critical for India's economic advancement. While India will continue to rely on fossil fuels, the shift towards renewable energy sources—such as biogas, ethanol, hydrogen, wind, solar, and hydroelectric power—will be substantial. This transition is expected to reduce dependence on imported energy and improve living conditions, addressing pollution issues in some of the world's most affected cities. The burgeoning demand for electric solutions, including electric vehicles and green hydrogen-powered transportation, aligns with global sustainability trends and will support long-term growth
- **Innovation, Capital Investment, and Demographic Advantage:** India’s progress in innovation and technology along with enhanced worker productivity are crucial drivers of future growth. Additionally, the country’s favorable demographics, characterized by a large and youthful population, will further bolster its growth prospects. Increasing savings rates, driven by rising incomes and financial sector development, are likely to boost the availability of capital for investment. The Indian government’s recent efforts in facilitating investment have created a conducive environment for private sector capital expenditure. As the private sector steps up, supported by healthy balance sheets of corporations and banks, capital investment will be a significant growth driver. Additionally, addressing the challenge of labor force participation by creating opportunities and investing in training and upskilling will be vital to harnessing demographic advantages and ensuring sustainable economic progress

Overview of Infrastructure Industry in India

Continued High Investment Momentum in Indian Key Infrastructure Sectors



Source: CareEdge Research

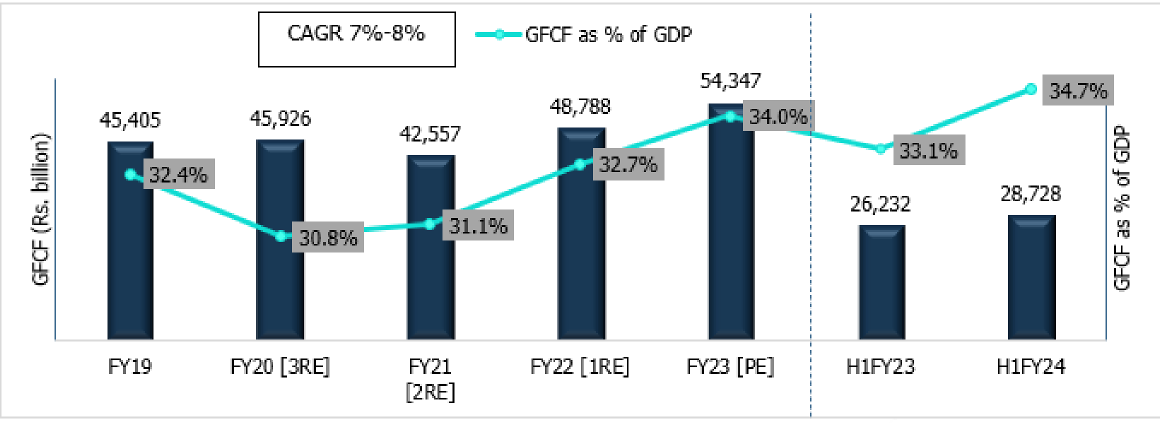
The Indian infrastructure plays major role with around 3% contribution to GDP as on FY23. CareEdge estimates India's infrastructure industry investments of ₹ 52,962 billion between FY24 and FY28. India's economic growth is fueled by a diverse range of sectors, of which infrastructure is a vital sector. In recent years, the government has taken several steps to accelerate infrastructure development, wherein, the key focus areas are transportation, energy, smart cities, water, social infrastructure, and digital infrastructure. There have also been efforts to attract foreign investors in the infrastructure sector through policy reforms.

Infrastructure projects are often expensive and have a long gestation period. To address this issue, fundraising and generating returns, the government is continuously striving to create a favorable operating environment for its players. Accordingly, national and state-level agencies like the National Highways Authority of India (NHAI), state-level bodies, and private sector companies (both domestic and international), are actively participating in infrastructure development.

With the growing population, the long-term need for robust infrastructure is necessary for economic development. This generates the need for massive investments in the development and modernization of infrastructure facilities, which will not only cater to the growing demand but will also ensure competitiveness in the global market.

Gross Fixed Capital Formation (GFCF), which is the measure of a country's investment in fixed assets witnessed significant improvements over the years. It is a key indicator considered to assess the trend in investments in an economy. In FY23, the ratio of investment (GFCF) to GDP climbed up to its highest in the last decade at 34%.

Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



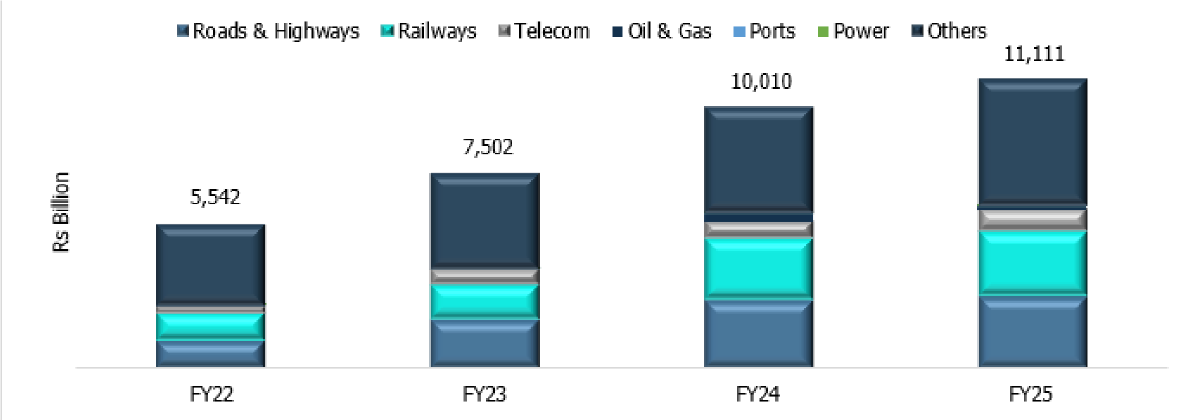
Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: Ministry of Statistics and Program Implementation

In coming years, the support of public investment in infrastructure is likely to gain traction due to initiatives, such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors. Considering all these factors, the GFCF is projected to increase at a CAGR of 7%–8% in the forecast period of FY24–FY28.

Budgetary Outlay Toward Infrastructure and Governmental Infra-Projects

One of the key drivers for economic growth is the increased infrastructure investment thrust by the government. In the Union Budget 2024–25, the government continued its focus on infrastructure development with budget estimates of capital expenditure toward the infrastructure sector of ₹ 11,111 billion. Furthermore, continuous efforts by the Government of India to make the business environment convenient to operate and streamline the regulatory process will support the growth of investments in the infrastructure segment.

Key Infrastructure Sectors for Capital Expenditure in Budget 2024–25



Source: Union Budget 2024-25 Analysis

Concluding Remarks

The Indian economy is on the path of USD 10.00 trillion of GDP by FY30, the infrastructure sector continues to play major role with 3.50% of GDP contribution with ₹ 52,962.00 billion investments in the infrastructure industry between FY24 and FY28. Key growth driver for the infrastructure investment include:

- In roads, with over 45,000 km (including 5,000 km of having specialised structures like elevated roads, tunnels, bridges etc.) of road under balance of award and NHAI expected to award ~5,000 km every year across BOT and EPC giving huge opportunity to infrastructure construction players in India. Additionally, continuous bidding for third party O&M provides huge opportunity with Rs 77.21 billion projects currently in pipeline
- India currently has 874.13 km of operational metro lines including Regional Rapid Transit Systems (RRTS), which is proposed to be expanded to 1,700.00 km across 27 cities by 2025 and subsequently to 50 cities. The investment is expected to grow at a CAGR of 5–10% in the range of ₹ 6,500.00 billion to ₹ 6,700.00 billion from FY24 to FY28
- The investment in the Water Supply and Sanitation (WSS) sector has increased at a CAGR of 32.48% from ₹ 362.00 billion in FY20 to ₹ 841.75 billion in FY23. Furthermore, from FY24 to FY28, the investments are estimated to grow at a CAGR of 10–12% and be in the range of ₹ 3,700.00 billion to ₹ 4,100.00 billion
- Currently in India there are 149 airports carrying ~327.00 million passengers annually. The opportunity for EPC player in the airport sector would be driven by the new planned airport ~20 in tier II and III cities and expansion plan in the existing major busy airports, mainly in Metro cities

Key Takeaway on Infrastructure:

India stands out as the fastest-growing economy among the major economies with real gross domestic product of ₹ 160.06 trillion in fiscal 2023 and estimated to emerge as the third-largest economy globally by 2027, infrastructure sector continues to play major role with 3.50% of gross domestic product contribution with ₹52,962.00 billion investments in Infrastructure industry between fiscal 2024 to 2028. Road construction is amongst the critical sub-segments for infrastructure development, economic growth, and employment creation. Key growth drivers for infrastructure sector are rapid urbanization, higher budgetary outlay towards infrastructure, smart cities mission. The key challenges in the infrastructure sector are regulatory and policy risks, funding challenges, land acquisition and environmental clearances.

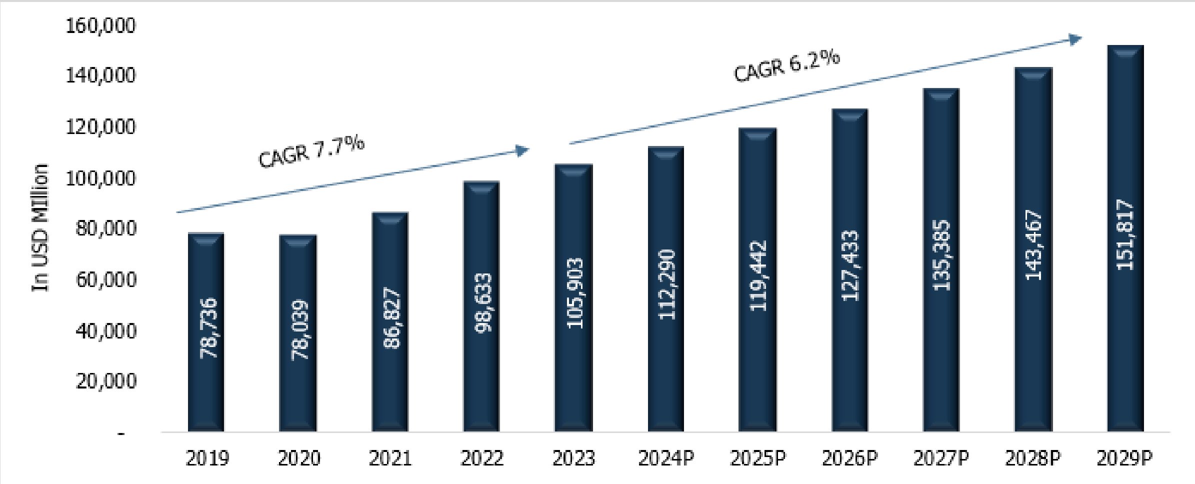
TRANSMISSION AND DISTRIBUTION SECTOR

Global Electricity Transmission Sector

The electricity demand is expected to grow globally due to the thriving wind, solar, natural gas-fired generation, and nuclear sectors. The rising electric vehicle (EV) growth and residential, commercial, and industrial activities will also contribute to this demand.

Transmission lines are high-voltage power lines that distribute electricity over a long distance from big power plants to smaller power distribution lines for use at the local level. The increasing electricity demand in the world, especially the need to integrate renewable energy into the main grid line is projected to drive the transmission sector globally. The transmission sector has grown at a CAGR of 7.7% in CY19 at USD 78,736 million to USD 1,05,903 million in CY23.

Global Electricity Transmission Sector



Source: Maia Research, CareEdge Research
P: Projected
Figures are CY basis

The market size consists of the entire supply chain of the power transmission sector and is expected to grow at a CAGR of 6.2% from USD 1,05,903 million in CY24 to USD 1,51,817 million in CY29.

The global transmission line market is poised for a transformative shift as the power generation sector is moving towards more sustainable and energy-efficient energy sources. The cross-border transmission lines and multilateral power trade around the world, especially in ASEAN countries, are expected to attract investments in the sector, supporting its growth.

Besides, the increased renewable power capacity has raised the need for countries to interconnect their transmission systems to balance generation and demand through the export and import of electricity. This has pushed the construction of higher-capacity interconnection lines.

Further, China and the US are the top two countries in terms of transmission length. Transmission lines are upgraded with advanced technologies in developed countries, given their universal access to electricity, contributing to the transmission sector growth. Whereas in developing countries, the growth is brought about by the expansion of grids to provide electricity to all parts.

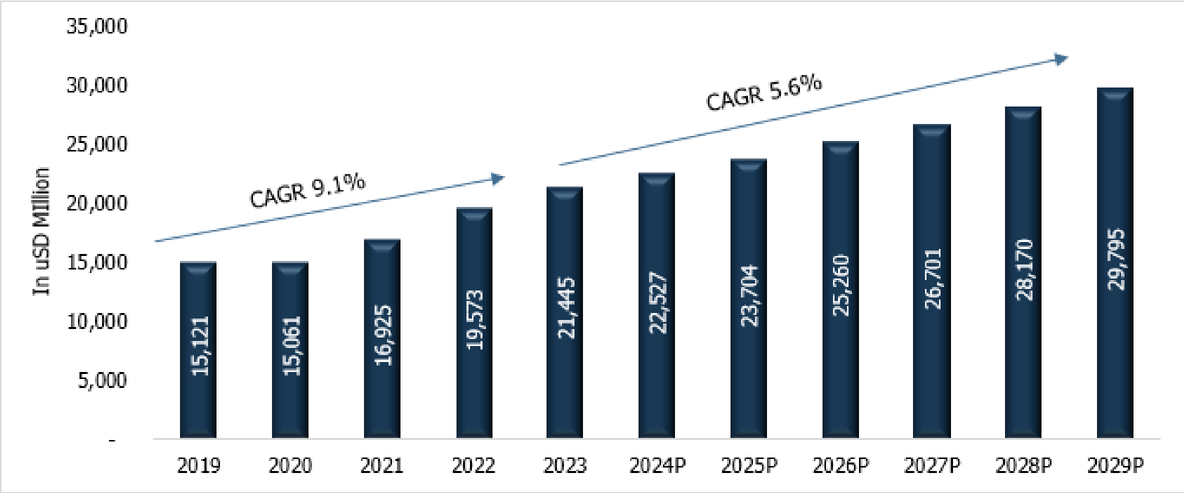
There is a significant demand in the T&D sector, both in domestic and international markets, given the push for renewables and requirements for large transmission lines, substations and underground cabling.

North America

North America was the second-largest market of the transmission industry in CY23 at USD 21,445 million with a market share of 20.2%. The industry grew at a CAGR of 9.1% from CY19 to CY23 due to increased requirement in renewable energy. The industry grew from USD 15,121 million in CY19 to USD 21,445 million in CY23.

The industry is projected to grow at a CAGR of 5.6% from CY23 to CY29 at USD 29,795 million accounting for a share of 19.6% of the global transmission industry.

North America Electricity Transmission Sector



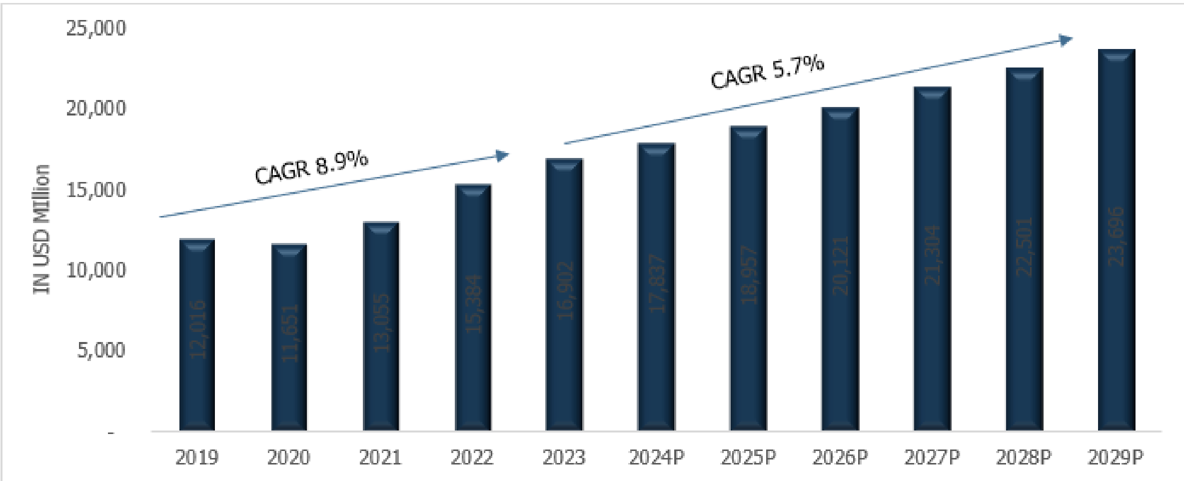
Source: Maia Research, CareEdge Research
P: Projected
Figures are CY Basis

Europe

Europe stood as the third-largest market of the transmission industry in CY23 at USD 16,902 million with a market share of 16.0%. The industry grew at a CAGR of 8.9% from CY19 to CY23 reaching USD 12,016 million in CY19 to USD 16,902 million in CY23 due to increased requirement in renewable energy and emphasis on self-reliance on energy resources.

The industry is projected to grow at a CAGR of 5.7% from CY23 to CY29 at USD 23,696 million, which will have a share of 15.6% of the global transmission industry.

Europe Electricity Transmission Sector



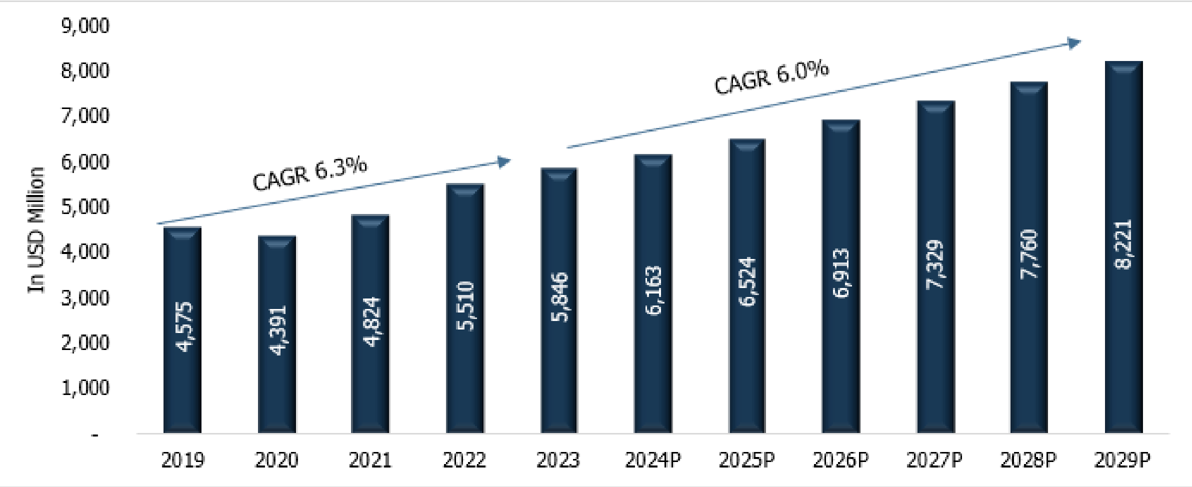
Source: Maia Research, CareEdge Research
P: Projected; Figures are CY Basis

Latin America

Latin America accounted for a market share of 5.5% of the transmission industry as of CY23 at USD 5,846 million. The industry grew at a CAGR of 6.3% from CY19 to CY23 where it grew from USD 4,575 million in CY19 to USD 5,846 million in CY23 below the overall industry growth.

The industry is projected to grow at a CAGR of 6.0% from CY23 to CY29 at USD 8,221 million, which will have a share of 5.4% of the global transmission industry, slightly below current market share.

Latin America Electricity Transmission Sector



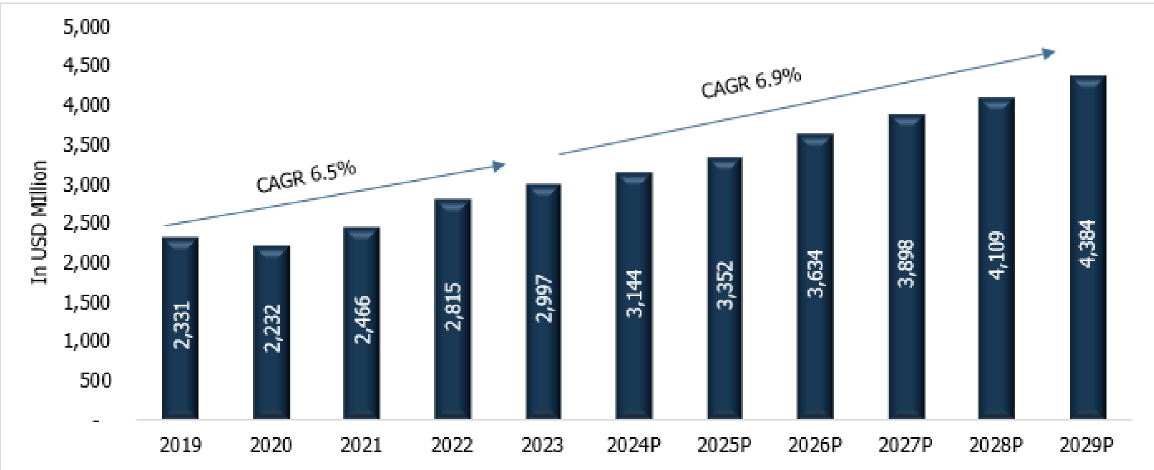
Source: Maia Research, CareEdge Research
P: Projected; Figures are CY Basis

Africa

Africa accounted for a market share of 2.8% of the transmission industry as of CY23 at USD 2,997 million. The industry registered a CAGR of 6.5% from CY19 to CY23 and grew from USD 2,331 million in CY19 to USD 2,997 million in CY23 below the overall industry growth.

The industry is projected to grow at a CAGR of 6.9% from CY23 to CY29 at USD 4,384 million, which will have a share of 2.9% of the global transmission industry.

Africa Electricity Transmission Sector



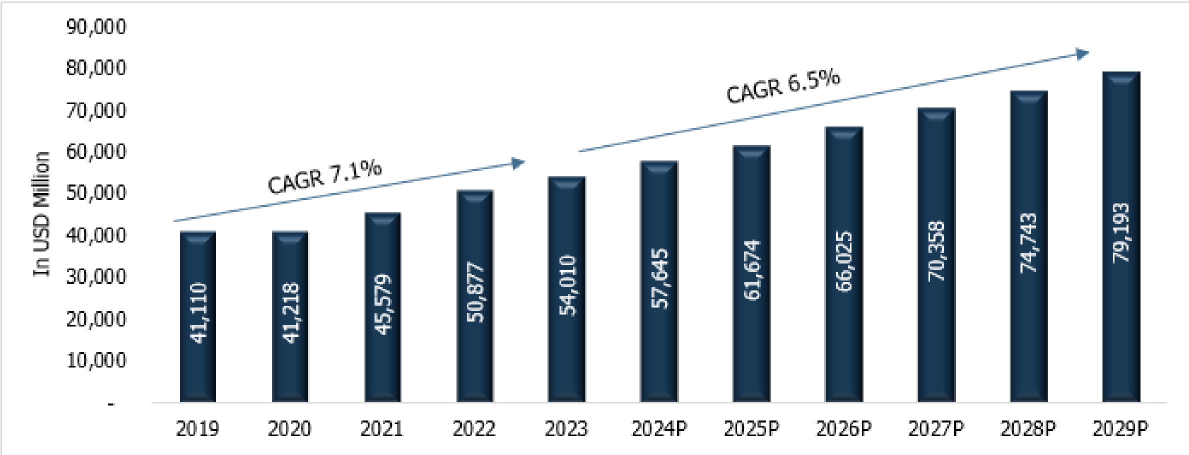
Source: Maia Research, CareEdge Research
P: Projected; Figures are CY Basis

APAC

APAC accounted for the largest share of 51.0% of the transmission industry as of CY23 at USD 54,010 million. The industry registered a CAGR of 7.1% from CY19 to CY23 and grew from USD 41,110 million in CY19 to USD 54,010 million in CY23 supported by growth in Japan and India.

The industry is projected to grow at a CAGR of 6.5% from CY23 to CY29, higher than the industry growth at USD 79,193 million, which will have an increased market share to 52.2% of the global transmission industry.

APAC Electricity Transmission Sector



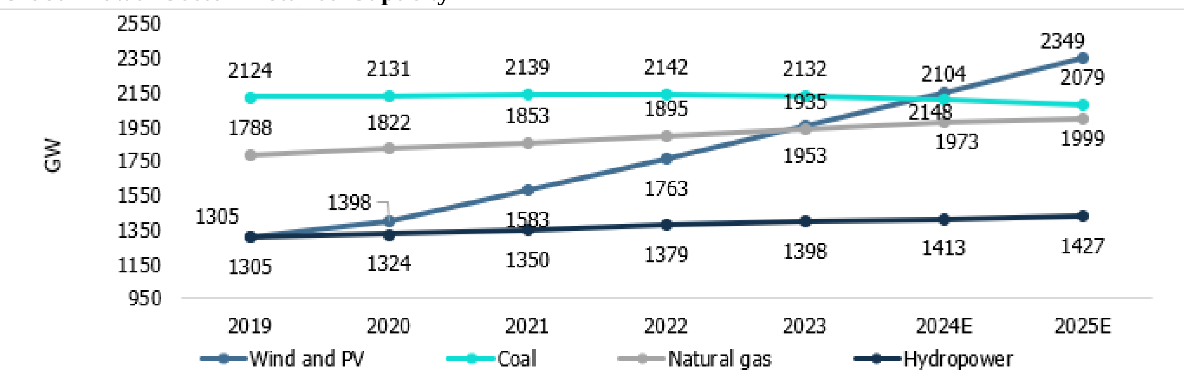
Source: Maia Research, CareEdge Research
P: Projected
Figures are CY Basis

Overview of Global Renewable Energy

Global Power Sector

According to IEA, renewable electricity capacity additions achieved an estimated 507 GW in 2023, marking an increase of nearly 50% compared to the previous year, 2022. The global shift towards green energy is being supported by the government's continued commitment to promoting renewable energy sources. The substantial growth is attributed to ongoing policy support in over 130 countries, prompting a significant shift in the global growth trend. The global acceleration in 2023 was primarily fuelled by the year-on-year expansion of China's thriving market for solar PV (+116%) and wind (+66%). The trend of increasing renewable power capacity additions is expected to persist over the next five years, with solar PV and wind collectively representing a record 96% of the total. This dominance is due to their lower generation costs compared to both fossil and non-fossil alternatives in most countries, coupled with sustained policy backing.

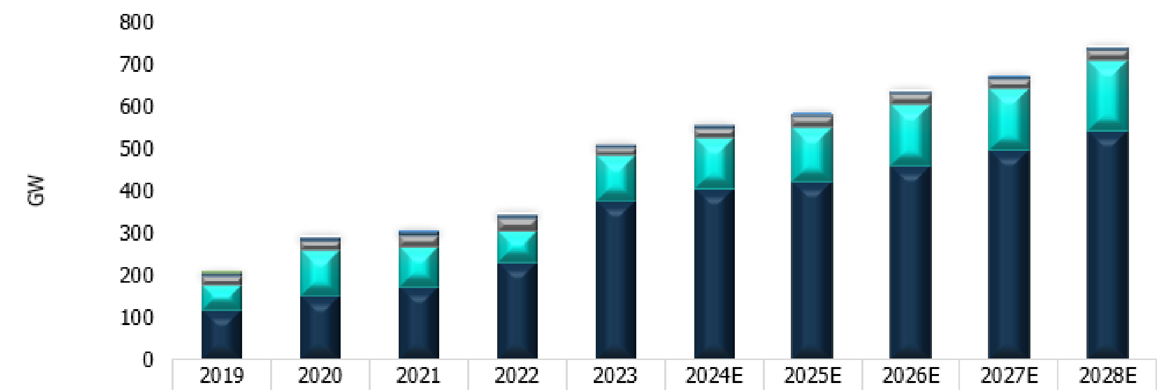
Global Power Sector Installed Capacity



Source: IEA

Global Renewable Installed Capacity

Forecasted Net Renewable Electricity Capacity Additions by Technology



	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
CSP	0.6	0	0	0	0	0	0	0	0	0
Geothermal	0	0	0.3	0	0	0	0.6	0	1	0
Bioenergy	8	9	10	7	6	8	6	6	7	7
HydroPower	19	21	28	32	18	21	24	24	19	24
Wind	59	108	95	74	108	121	127	144	148	167
Solar PV	117	151	171	228	375	402	422	459	494	540

Source: IEA

Solar PV capacity, encompassing both large utility-scale and small distributed systems, constitutes two-thirds of the anticipated growth in global renewable capacity for the current year. Solar PV and wind installed capacity constitute to more than 90% of the total renewable energy installed capacity. The installed capacity of renewable energy is expected to reach 11,000 GW by 2030 under COP28 targets.

Transmission Network in India

The transmission network in India operates at different voltages to cater to different needs in the industry. The different voltage levels include Extra High Voltage (EHV), high voltage, medium voltage, and low voltage.

The following table shows the distribution of the voltage lines:

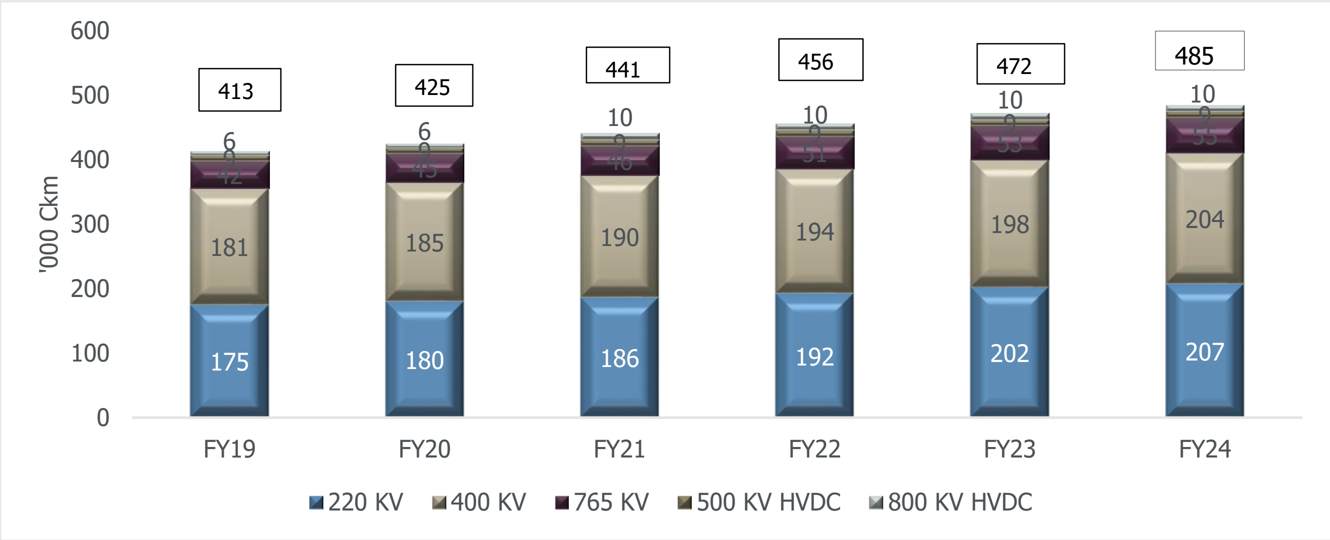
Distribution of Voltage Lines

Extra High Voltage	765 kV, 400 kV and 220 kV
High Voltage	132 kV and 66 kV
Medium Voltage	33 kV, 11 kV, 6.6 kV and 3.3 kV
Low Voltage	1.1kV, 220 kV and below

Further, India's power transmission system has expanded at a significant pace driven by growing demand, the government's focus on providing electricity in rural areas, and the need for connecting the generation stations including integration of RE sources from the RE-rich states. In addition, with the implementation of two Central Sector Schemes namely, the North Eastern Regional Power System Improvement Project (NERPSIP) and Comprehensive Scheme of Transmission & Distribution System in Arunachal Pradesh & Sikkim, the transmission and distribution infrastructure of North Eastern states are being strengthened.

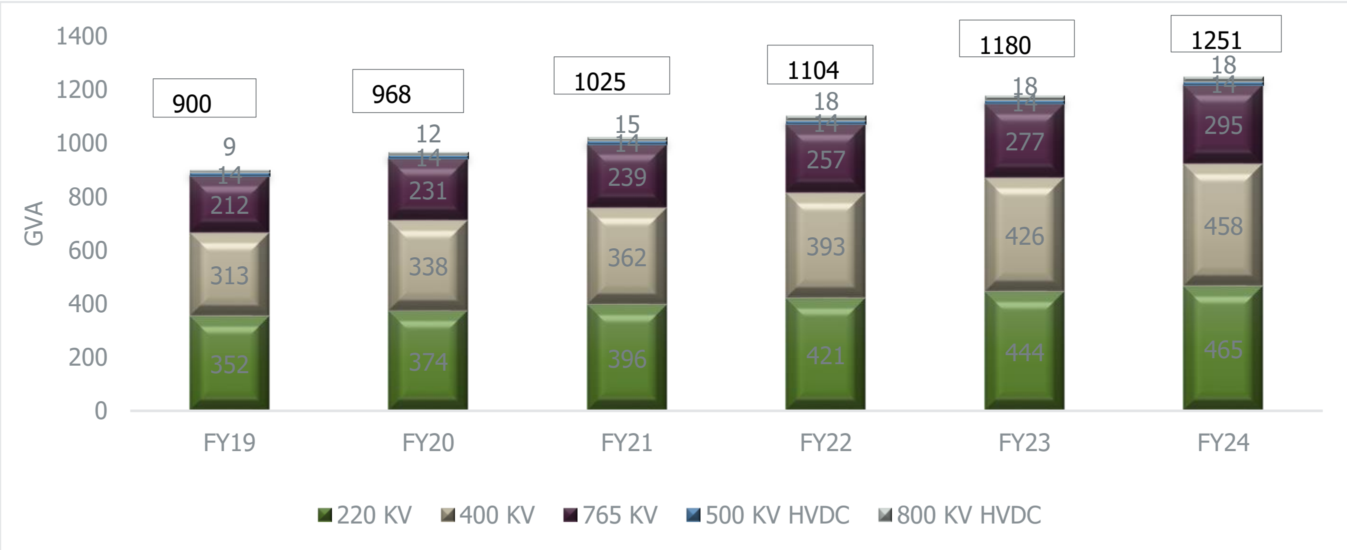
Moreover, the transmission line network grew at a CAGR of approximately 3% to 4,85,544 CKm as of March 2024 from 4,13,407 CKm as of March 2019. During FY24, 14,203 CKm of transmission lines were added to the total network. The transmission line network stood at 4,87,587 CKm as of July 2024. Whereas the transformation line capacity is at 12,65,700 MVA as of July 2024.

Transmission Line Network (220 kV & Above)



Source: Central Electricity Authority, CareEdge Research

Transformation Capacity (220 kV & Above)



Source: Central Electricity Authority, CareEdge Research

India aims to achieve 500 GW of renewable energy capacity by 2030. As of July 2024, there are 54 transmission projects constructed and 53 projects are under construction. These include various projects of transmission systems associated with renewable projects and conventional projects in Rajasthan, Karnataka, Maharashtra, etc. These projects are being executed mainly by PGCIL along with private players like Sterlite Power Transmission Limited, Adani Transmission Limited, ReNew Transmission Ventures Private Limited, etc.

Furthermore, the substation line network grew at a CAGR of approximately 7% to 1.25 million MVA as of March 2024 from 0.8 million MVA as of March 2019.

Benefits of Transmission Business in terms of best risk-return profile

The transmission business, particularly in the power and energy sector, often provides one of the best risk-return profiles in the infrastructure space. In India, the benefits of the transmission business align closely with the general global framework but have specific relevance due to the country's unique regulatory, economic, and infrastructural environment.

- Stable and Predictable Revenue in India: in India, the power transmission business is regulated under long-term agreements, such as the Tariff-Based Competitive Bidding (TBCB) and Cost-Plus Regulated Return Mechanism by the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs). These agreements guarantee a steady revenue stream over the duration of the project

- Tariff-based Competitive Bidding (TBCB) is a procurement process used in the power sector in India for selecting developers to build, own, and operate power generation or transmission projects. The key feature of TBCB is that the bidder offering the lowest tariff (price per unit of electricity) wins the contract. This process is designed to promote transparency, competition, and cost-effectiveness in the procurement of electricity, ensuring that consumers receive power at the most affordable rates

- Cost-plus Regulated Return Mechanism is a traditional tariff determination method used by the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs). Under this mechanism, power companies can recover their costs and earn a fixed return on their capital investments

- The Central Electricity Regulatory Commission (CERC) and the State Electricity Regulatory Commissions (SERCs) are the two key regulatory bodies in India that oversee the electricity sector at the central and state levels, respectively. Both institutions are responsible for regulating the generation, transmission, and distribution of electricity, but they operate at different levels of jurisdiction and have distinct roles and responsibilities

- Regulated Returns in India: In India, transmission projects typically provide regulated returns or even higher under certain incentive structures. These returns are pre-approved by the CERC and are adjusted periodically based on inflation and input costs. Indian transmission companies are ensured a fixed rate of return as approved by regulators, safeguarding investments even amidst market uncertainties. Tariffs often include inflation-indexed adjustments, protecting companies from rising costs
- Low Operating Costs in India: Once transmission lines and infrastructure are in place, maintenance costs are relatively low. Indian transmission companies have benefitted from technological upgrades and reduced operational costs post-infrastructure setup. Indian transmission businesses can maintain high margins as operational costs remain low compared to initial capital expenditure. With initiatives such as smart grid technology, Indian companies are improving the efficiency of the transmission network, further reducing costs
- Inflation Protection in India: Regulators, such as CERC, include inflation-linked pricing adjustments in the tariff structure. The Multi-Year Tariff (MYT) framework in India ensures that transmission companies can adjust tariffs periodically to account for inflation and changing costs. With inflation-adjusted tariffs, transmission businesses in India can preserve their profit margins despite rising operational costs. Regular reviews allow companies to pass on increases in costs, such as higher wages or material prices, to consumers
- Essential Service Provider Status in India: Electricity is critical to India's growth, and transmission companies form the backbone of the energy distribution network. As India continues to grow its power generation capacity, transmission is a vital component of ensuring reliable delivery of energy to all parts of the country. Even during downturns, transmission companies face limited risk, as power remains an essential service. The Indian government often steps in to support the transmission sector, such as through schemes like Ujwal DISCOM Assurance Yojana (UDAY) aimed at reforming and revitalizing DISCOMs, which, in turn, supports the transmission segment
- Diversified Risk Profile in India: India's geographic diversity allows for transmission companies to spread their operational risks across different regions. Companies like Adani Transmission and Sterlite Power operate across multiple states, reducing their exposure to risks like regulatory changes or local disruptions. By operating across states with different regulatory environments and economic conditions, Indian companies are better protected from regional disruptions. The government has promoted inter-state transmission through projects like the Green Energy Corridors, creating opportunities for companies to diversify and expand

Regulatory Overview of the Indian Transmission Sector

India's power transmission sector is governed by a robust regulatory framework established to ensure efficient, reliable, and equitable electricity transmission across the country. This framework is shaped by various acts, regulations, and policies formulated over the years to address the evolving needs of the sector.

Key Regulations/Acts/Policies

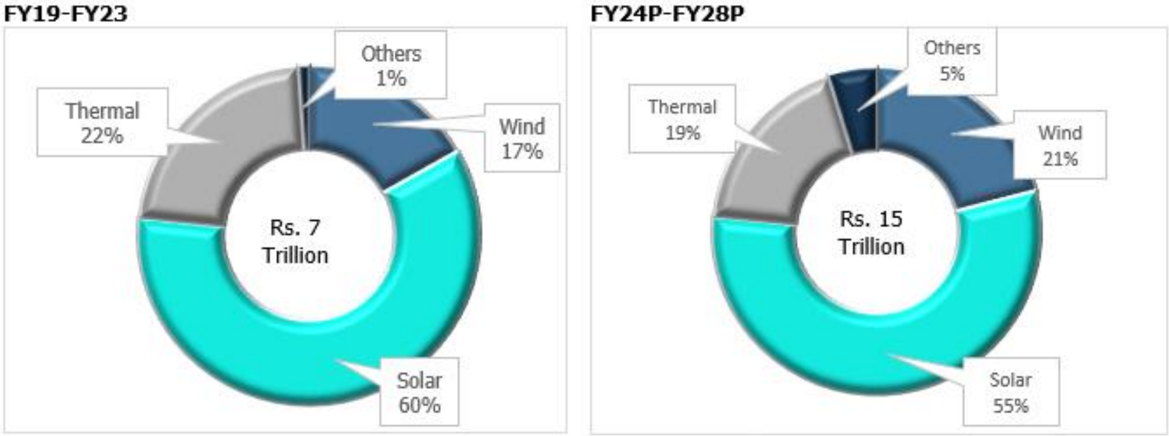
- The Electricity Act, 2003: Foundation of the Sector: The Electricity Act, 2003 is the foundational legislation that revolutionized India's power sector, including transmission. It redefined the power landscape by promoting competition, protecting consumer interests, and improving the efficiency of electricity services. The Act mandated the unbundling of State Electricity Boards (SEBs) into separate entities for generation, transmission, and distribution to improve sectoral transparency and efficiency. It requires transmission licensees to be granted by the Central Electricity Regulatory Commission (CERC) for interstate transmission and by State Electricity Regulatory Commissions (SERCs) for intrastate transmission. A key provision of the Act is "open access," which allows third-party access to the transmission network. This has helped boost competition by enabling independent power producers (IPPs) and others to use the transmission grid to supply electricity directly to consumers. The Act directs the government to formulate a National Electricity Policy (NEP) to promote the optimal utilization of resources and the development of the electricity sector

- The National Electricity Policy (NEP), 2005: The National Electricity Policy (NEP) was framed in accordance with the Electricity Act, 2003, to provide an overarching policy framework for the growth of the power sector. The policy emphasizes the need for a robust transmission system that can handle increasing generation capacities, especially renewable energy sources. NEP advocates the coordinated development of a strong national transmission grid, ensuring that power can be transmitted efficiently across regions to meet demand. The policy seeks to ensure that the transmission network is developed to provide reliable electricity access to all consumers, including those in rural and underserved areas. NEP also encourages the use of advanced technology to improve grid reliability and reduce transmission losses, while promoting private sector investments in the transmission sector
- The Tariff Policy, 2016: The Tariff Policy, 2016 complements the Electricity Act by providing guidelines on how tariffs should be set across the power sector, including transmission. Tariffs for transmission services are set based on performance benchmarks. Transmission companies are incentivized to improve efficiency and reduce losses through better operational practices and modern technologies. Tariff-setting mechanisms are designed to ensure that transmission charges reflect the actual cost of service provision, which includes maintenance, capital recovery, and reasonable returns for investors. The policy also promotes the development of transmission infrastructure to support the integration of renewable energy into the grid, ensuring a seamless transition to a greener energy mix
- The National Tariff Policy (NTP), 2021 (Draft): The National Tariff Policy, 2021, which is still in draft form, builds on earlier policies to address the evolving needs of the sector. It proposes new measures to further strengthen transmission infrastructure, ensure cost-reflective tariffs, and encourage investments. The draft NTP calls for further rationalization of transmission tariffs, including measures to reduce cross-subsidies and ensure greater transparency in tariff setting. It emphasizes efficiency and the use of advanced technologies such as smart grids and digital monitoring tools in transmission networks. The draft policy highlights the need for investments in transmission infrastructure capable of handling intermittent and decentralized renewable energy sources, ensuring their smooth integration into the grid
- General Network Access (GNA) Regulations, 2022: The General Network Access (GNA) regulations were introduced by the Central Electricity Regulatory Commission (CERC) to streamline access to the national transmission grid, enabling efficient and non-discriminatory use of transmission infrastructure. GNA regulations allow power generators and distributors to easily access the transmission network based on their general network access rights, improving the ease of transmission capacity allocation. The GNA framework is aimed at better management of congestion on transmission lines, ensuring that power can be transmitted more smoothly across regions
- The National Grid Plan: The National Grid Plan is a long-term strategy that outlines the development and expansion of India’s transmission infrastructure to ensure reliable electricity delivery from generation points to consumption centers across states and regions. It focuses on improving inter-regional transmission capacity to ensure that surplus power from one region can be efficiently transferred to deficit regions. The plan also emphasizes building redundancy in the transmission network to handle contingencies and ensure grid reliability
- Green Energy Corridors (GEC): The Green Energy Corridors (GEC) project was launched by the Indian government to ensure the seamless transmission of renewable energy from generation hubs (such as solar and wind farms) to demand centers. The corridors are aimed at building transmission infrastructure specifically for renewable energy projects, ensuring that renewable energy is efficiently integrated into the national grid. The GEC project is partially funded by international agencies like the World Bank and KfW, ensuring timely execution and financial backing for the transmission of renewable energy

Investments in Power Sector

There is a growing organic demand for power, along with significant opportunities emerging in solar energy, wind power, and green hydrogen sectors. This has led to investments in power generation accounting for ₹ 6.57 trillion during FY19 and FY23, with renewables accounting for the highest share of 77%, whereas solar has the highest investments in capacity additions considering the fact that it is highly untapped. The investments in the power generation segment are expected to remain high during FY24 and FY28, with estimated investments of ₹ 14.4 trillion. The solar and wind combined will attract an investment of around ₹ 10.9 trillion, accounting for 76% of total future investments. With sustained investments in the renewable sector, it is becoming more conducive for EPC players.

Investments in Power Sector Generation

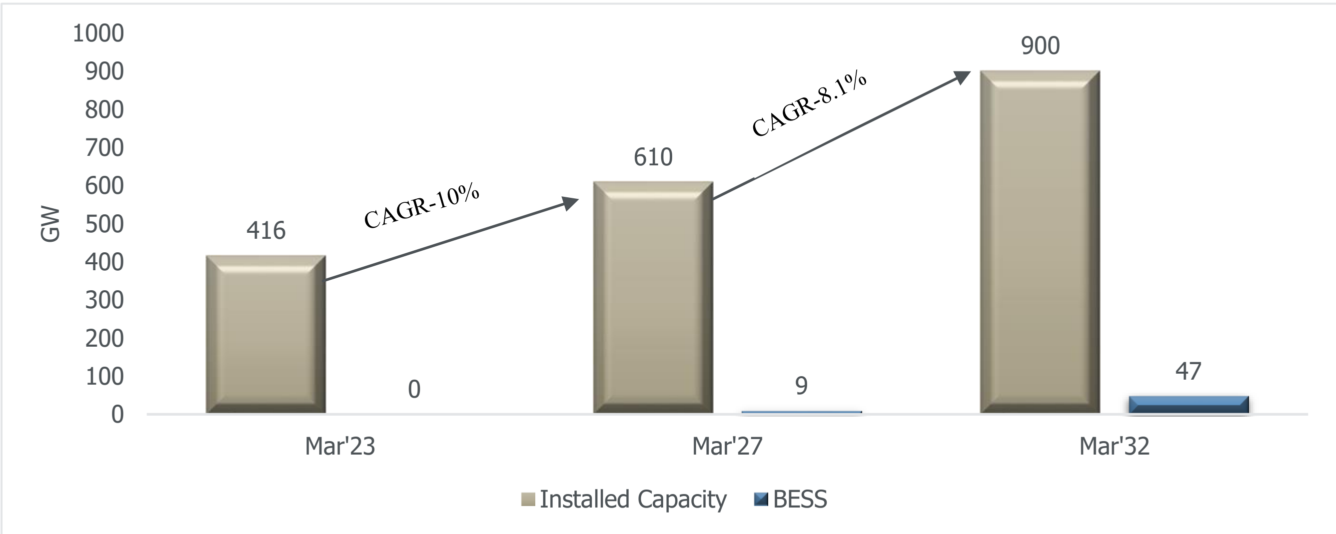


Source: National Electricity Plan (NEP) March 2023, CAREEDGE Research

Outlook of Power Sector and Investments

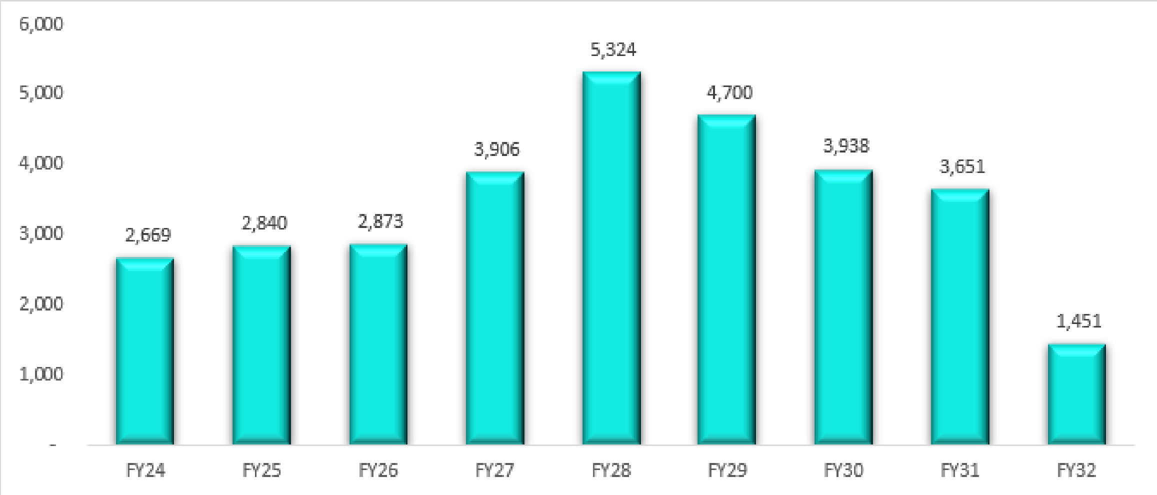
As per the National Electricity Plan Vol-1 released in March 2023, the installed capacity is expected to grow from 416 GW in March 2023 to around 610 GW by March 2027, projecting a CAGR of around 10%. In addition, the Battery Energy Storage System (BESS) is expected to gain traction and reach 9 GW of installed capacity. The generation capacity is expected to reach 900 GW by March 2032, growing at a CAGR of 8.1% from March 2027, while the BESS capacity is expected to reach 47 GW.

Aggregate Installed Capacity Outlook



Source: National Electricity Plan (NEP) March 2023, CAREEDGE Research

Power Investments FY2024-FY2032 (Rs. Billion)



Source: National Electric Plan 2022-32, CareEdge Research

- **Transmission Investments**

The interstate transmission lines are expected to add 13,042 CKm from FY24 to FY28, according to ISTS Rolling Plan 2027-28 alongside the increasing transformation capacity of 96,905 MVA in the same period. This will attract an investment of ₹ 429.98 Billion from FY24 to FY28.

The detailed split across years is provided below:

Under Construction Transmission Line (CKm)

FY	WR	SR	NR	ER	NER	Total
FY24	2,642	1,909	3,807	80	450	**8,888**
FY25	2,189	911	405	235	-	**3,737**
FY26	187	-	-	-	230	**417**
FY27	-	-	-	-	-	**-**
FY28	-	-	-	-	-	**-**
Total	**5,015**	**2,820**	**4,212**	**315**	**680**	**13,042**

Source: ISTS Rolling Plan 2027-28, CAREEDGE Research

WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North Eastern Region

Under Construction Transformation Capacity (MVA)

FY	WR	SR	NR	ER	NER	Total
FY24	22,500	13,500	18,815	-	320	**55,135**
FY25	30,500	8,500	-	1,050	-	**40,050**
FY26	-	-	-	-	1,720	**1,720**
FY27	-	-	-	-	-	**-**
FY28	-	-	-	-	-	**-**
Total	**53,000**	**22,000**	**18,815**	**1,050**	**2,040**	**96,905**

Source: ISTS Rolling Plan 2027-28, CAREEDGE Research

Transmission line investments (In Cr)

FY	WR	SR	NR	ER	NER	Total

FY24	7,365	6,659	10,770	285	417	**25,495**
FY25	11,320	3,391	1,077	594	77	**16,459**
FY26	614	-	-	-	430	**1,044**
FY27	-	-	-	-	-	**-**
FY28	-	-	-	-	-	**-**
Total	**19,298**	**10,050**	**11,847**	**879**	**925**	**42,998**

Source: ISTS Rolling Plan 2027-28, CAREEDGE Research

There is a growing focus on technology-enabled power quality improvement in the energy sector, driven by the need for more efficient, reliable, and sustainable power systems. This shift presents several key opportunities for High Voltage, Digital substations (a modern version of traditional electrical substations that uses digital technology to monitor, control, and manage power distribution equipment), STATCOM (a device that helps regulate voltage and improves the stability of power grids) and HVDC (a system that transmits electricity over long distances).

Green Energy Corridor (GEC)

There is a sustained commitment of the government to promote renewable energy. In the same line, Green Energy Corridor was set up in 2015. The Green Energy Corridor Project aims at synchronizing electricity produced from renewable sources, such as solar and wind, with conventional power stations in the grid. GEC comprises both Inter State Transmission System (ISTS) and Intra State Transmission System (InSTS) along with the setting up of the Renewable Energy Management Centre (REMC) and control infrastructure like reactive compensation and storage systems.

- **Inter-State Transmission System Green Energy Corridor Phase-I**

The ISTS GEC project with a total of 3,200 CKm inter-state transmission lines and 17,000 MVA substations was implemented by PGCIL between 2015 to 2020. The project cost was ₹ 113.69 billion with a funding mechanism consisting of 30% equity by PGCIL and 70% loan from KfW (EUR 500 Million) & ADB (approx. ₹ 28 billion). The project was implemented to evacuate approx. 6 GW of RE power and included transmission system for 8 solar parks including Ananthapur (1,500 MW), Pavagada (2,000 MW), Rewa (750 MW), Bhadla-III (500 MW), Bhadla-IV (250 MW), Essel (750 MW), Banaskantha (700 MW), and Fatehgarh (1000 MW). REMC has been installed at the following 11 locations:

a. REMC-SR (Tamil Nadu, Andhra Pradesh, Karnataka SLDCs and SRLDC)
b. REMC-WR (Gujarat, Maharashtra, Madhya Pradesh SLDCs and WRLDC)
c. REMC-NR (Rajasthan SLDC, NRLDC and NLDC)

The InSTS GEC scheme with a total target of 9,700 CKm intra-state transmission lines and 22,600 MVA sub-stations was approved by the Cabinet Committee on Economic Affairs (CCEA) in 2015. The InSTS GEC scheme is currently under implementation by the State Transmission Utilities (STUs) of 8 RE-rich states, i.e., Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Tamil Nadu. The project cost is ₹ 101.41 billion with a funding mechanism consisting of a 40% central grant by MNRE, a 40% loan from KfW Germany, and a 20% equity by the STUs.

Moreover, the projects are being set up for the evacuation of about 24 GW of RE power in the aforementioned 8 states. Of this, about 16.4 GW RE has been commissioned and connected to the grid through the project's setup under InSTS GEC.

As of November 30, 2022, the status of the project is as follows:

Status of Intra-State Transmission System Green Energy Corridor Phase-I

State	Lines Target (CKm)	Lines Constructed (CKm)	Substations Target (MVA)	Substations Charged (MVA)
Tamil Nadu	1,068	1,068	2,250	1,910
Rajasthan	1,054	984	1,915	1,915
Andhra Pradesh	1,073	739	2,157	950

State	Lines Target (CKm)	Lines Constructed (CKm)	Substations Target (MVA)	Substations Charged (MVA)
Himachal Pradesh	502	470	937	653
Gujarat	1,908	1,429	7,980	6,980
Karnataka	618	609	2,702	2,490
Madhya Pradesh	2,773	2,773	4,748	4,748
Maharashtra	771	625	-	-
Total	**9,767**	**8,697**	**22,689**	**19,858**

Source: MNRE, CAREEDGE Research

- **Intra-State Transmission System Green Energy Corridor Phase-II**

The InSTS GEC-II scheme with a total target of 10,750 CKm intra-state transmission lines and 27,500 MVA sub-stations was approved by the CCEA in January 2022.

The project cost is ₹ 120.31 billion with central financial assistance from MNRE of ₹ 39.7 billion (i.e. 33% of project cost). The balance 67% of the project cost is available as a loan from KfW/REC/PFC. The transmission schemes would be implemented by the STUs of seven states, i.e. Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu, and Uttar Pradesh for evacuation of approx. 20 GW of RE power in the seven states. Currently, the STUs are preparing the packages and are in the process of issuing tenders for implementing the projects. The scheduled commissioning for the projects under this scheme is March 2026.

The state-wise brief of the projects under the scheme is as under:

Target under Intra-State Transmission System Green Energy Corridor Phase-II

State	Estimated Project Cost (Rs Cr)	Length of Transmission Lines (CKm)	Capacity of Substations (MVA)	RE Addition (MW)
Gujarat	3,637	5,138	5,880	4,000
Himachal Pradesh	489	62	761	317
Karnataka	1,036	938	1,225	2,639
Kerala	420	224	620	452
Rajasthan	881	1,170	1,580	4,023
Tamil Nadu	720	624	2,200	4,000
Uttar Pradesh	4,848	2,597	15,280	4,000
Total	**12,031**	**10,753**	**27,546**	**19,431**

Source: Ministry of Power, CAREEDGE Research

Green Transmission

India has a target of 500 GW of non-fossil fuel capacity by 2030, and hence, significant investments have commenced toward increasing and upgrading the transmission infrastructure.

The transmission system has been planned for the following RE capacity to be commissioned by 2030:

Transmission System Planned for Renewable Energy

Sr. No.	Category	Capacity (GW)

1.	66.5 GW RE capacity to be integrated into Inter-State Transmission System (ISTS) network (8.861 GW already commissioned)	53
2.	Additional RE capacity totalling 236.58 GW is to be integrated into the ISTS network	225
	Total (RE)	**278**

Source: CEA Report- Transmission System Integration of over 500GW RE Capacity by 2030, CAREEDGE Research

For the integration of additional wind and solar capacity by 2030, the estimated length of the transmission line and sub-station capacity planned is around 50,890 CKm and 4,33,575 MVA, respectively. The investment required for the green transmission is estimated to be around ₹ 2,440 billion as per the Ministry of Power. Out of this, ₹ 281 billion will be required for the integration of offshore wind capacities while ₹ 2,160 billion will be required for new solar and wind (onshore) plants.

Tentative cost of Additional Transmission System

	RE Capacity (GW)	Tentative cost of the Transmission System (Rs. billion)	Average cost of Transmission System (Rs. Million/MW)
On-shore RE Capacity (Solar & Wind)	268	2,161	8.06
Offshore RE capacity (Wind)	10	281	28.10
Total RE capacity	**278**	**2,442**	**8.76**

The tentative cost includes the cost of ISTS transmission schemes for (i) 66.5 GW RE capacity (excluding commissioned transmission schemes and associated RE capacity) (ii) 55.08 GW RE capacity and (iii) 181.5 GW RE capacity

Source: CEA Report- Transmission System Integration of over 500GW RE Capacity by 2030, CAREEDGE Research

Major Upcoming Transmission Lines and Substation Projects under Consideration

There are total of 742 transmission and distribution projects under planning stage split across India amounting to ₹ 816.83 Billions. Maharashtra accounts for highest number of projects under planning stage with an amount of ₹ 101.21 billion.

Projects under planning stage split across states

States	Projects	Rs. Billion
Maharashtra	80	101.21
Rajasthan	63	91.50
Jharkhand	35	71.08
West Bengal	18	49.37
Punjab	55	48.32
Uttar Pradesh	47	45.59
Tamil Nadu	63	44.46
Himachal Pradesh	19	38.77
Andhra Pradesh	15	38.74
Karnataka	47	36.65

States	Projects	Rs. Billion
Gujarat	54	30.69
Kerala	14	27.66
Haryana	49	24.88
Multi States	17	24.57
Telangana	4	21.79
Madhya Pradesh	20	21.50
Bihar	12	20.78
Uttarakhand	29	17.44
Jammu & Kashmir	10	10.75
Odisha	20	10.51
Ladakh	2	7.94
Chhattisgarh	12	7.93
Delhi	8	7.11
Arunachal Pradesh	12	6.12
Assam	18	4.73
Andaman & Nicobar Islands	1	2.47
Goa	4	1.52
Sikkim	3	0.91
Manipur	1	0.61
Tripura	1	0.49
Puducherry	5	0.44
Meghalaya	4	0.30
All India	742	816.83

Source: Proejcts Today, CareEdge Research

RAILWAYS SECTOR IN INDIA

Overview and evolution of the railway sector

Indian Railways started in 1853 with the first route between Bombay and Thane, expanding quickly under British administration. After independence, it consolidated 42 companies into one entity by 1951, introducing electric trains and eliminating steam locomotives by the mid-1980s.

Indian Railways is the fourth-largest railway system in the world after the US, Russia, and China. As of FY24, India boasts a railway network extending over 68,584 route kilometres and includes 7,308 stations. The volume of passengers and freight has been steadily increasing in recent years. In FY23, Indian Railways transported 6,438 million passengers and 1,509 million tonnes of cargo. For the period from April to August FY24, the network carried 2,860 million passengers and 634 million tonnes of cargo. The Indian rail network is rapidly advancing. In the next five years, it is projected to become the third-largest rail network globally, capturing 10% of the global market.

As of FY24, Indian Railways has experienced considerable advancement and expansion. The network has seen substantial growth, with ongoing efforts to electrify tracks and reduce diesel dependence, thereby improving operational efficiency. Significant progress has been made in developing high-speed rail projects, such as the Mumbai-Ahmedabad corridor, which aims to boost travel speeds and connectivity. In recent times, modernization efforts have included projects like the Delhi Metro and Vande Bharat Express. These developments reflect Indian Railways' commitment to modernizing its infrastructure, upgrading service quality, and addressing the increasing demands of a growing economy.

Evolution of Indian Railway System

1853- 1869

- Launching of passenger rail services
- In total, eight railway companies were established between 1855 and 1860, including Eastern India Railway, Great India Peninsula Company, Madras Railway, Bombay Baroda and Central India Railway

1901-1925

- Moves towards centralisation
- By 1907, the government had purchased all major lines and began leasing them back to private operators.

1925- 1946

- Electrification and hard times
- The first electric train ran between Bombay and Kurla on 3 February, 1925, setting a precedent for further electrification

1980-2000

- The 1980s saw a complete phase-out of steam locomotives, as electrification was spurred on by energy crises in the 1970s.

2000-2017

- Introduction of metros in major cities
- Step forward in launch of online train reservations

2017- till date

- Moving towards 100% electrification of railways
- Wifi services in all the railway stations
- Modernization of stations
- Introduction of high speed trains like Vande Bharat
- Dedicated Freight Corridor etc

Review of railway sector and network addition/upgrade trends

Government continues to focus on infrastructure spending

India's railway infrastructure plays a critical role in the country's economic development, facilitating the movement of goods and passengers across vast distances. However, to meet the growing demands of its economy and population, there is a need for substantial investments in this sector.

Investments are also needed to expand capacity to handle the projected increase in freight and passenger traffic. Modernizing tracks, signaling systems, and rolling stock, advancement of safety systems and infrastructure upgrades are some of the areas of improvements and expansion where investments are required.

Investments in multimodal transport hubs facilitate seamless integration between railways, roadways, and ports.

The government has unveiled two major initiatives to attract private investment: the operation of passenger trains by private operators across the entire rail network and the redevelopment of railway stations nationwide. According to Indian Railways, these projects could attract over $7.5 billion in investment over the next five years. Indian Railways also intends to promote the semi-high-speed 'Vande Bharat' train by 2025-26, targeting a coverage of 10-12 lakh kilometers with 75 trains over three years. Additionally, with supportive policy frameworks, increased participation from both domestic and international private players is anticipated in passenger and freight transportation in the medium to long term. The Indian government's emphasis on infrastructure is expected to substantially drive railway development, with plans to invest Rs 50 trillion (US$ 715.41 billion) by 2030.

Additionally, the National Infrastructure Pipeline (NIP) plans to invest over Rs 13.67 trillion by 2025, representing 12% of the total planned investment under the NIP. The Draft National Rail Plan projects a capital expenditure of Rs 38.22 trillion for the railway sector by 2050.

Moreover, there has been a notable rise in funding for the expansion and improvement of railway infrastructure. This involves building new railway tracks, changing track widths, and adding more tracks to improve capacity and productivity. Funds are also allocated for the updating of stations and enhancing passenger services.

In 2023, Indian Railways announced that it would invest Rs 7 trillion in the next decade to redefine India's transportation landscape. This major initiative aims to lay 50,000 kilometers of new railway tracks and modern railway connections and faster travel. The government's increasing investment in railway infrastructure projects will promote the development of the industry.

In the Union Budget FY25, the government has allocated Rs 2.7 trillion towards railways. The allocation towards rolling stock, which includes locomotives, freight wagons and passenger coaches, has been on a rise over the past six years to Rs 410.86 billion in FY25 from Rs 403.96 billion (revised budget) in FY24.

Budgetary Outlay toward Railway Projects (Rs. Billion)

Railway Projects	FY2018 (A)	FY2019 (A)	FY2020 (A)	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (R)	FY2025 (B)
Doubling	12.9	6.1	6.78	3.79	86.82	256.20	350.46	300.00
New Lines (Construction)	89.52	56.48	98.71	10.58	207.84	243.77	344.10	360.91
Track Renewals	88.84	96.90	93.87	0	106.95	165.58	162.86	171.50
Gauge Conversion	25.55	25.90	33.13	1.17	18.03	23.43	42.79	45.34
Rolling Stock	15,140	45,720	39,630	8390	68,150	1,34,930	4,03,960	410.86
Passenger Amenities	12.87	15.86	19.03	17.88	28.00	19.96	96.18	163.52
Road Safety Works	41.67	47.33	48.74	0.17	64.00	46.76	88.49	122.95
Signalling and Telecom	12.57	15.38	16.23	0.06	24.48	21.45	35.81	44.92
Leased assets - Payment of Capital Component	79.80	91.12	104.62	119.48	194.59	145.81	213.00	242.70
Investments & Others	288.67	423.28	465.80	305.23	694.73	620.15	3186.07	829.55
Manufacturing Misc.	294.03	342.81	398.54	311.03	400.97	467.45	529.23	592.98

Source: Budget Documents. Note: B – Budgeted, A – Actual, R – Revised and Includes Internal and Extra Budgetary Resources (IEBR)

India on its way to accelerating railway electrification

Railway electrification is the shift from diesel-powered to electrically-powered trains, using overhead lines or a third rail system. Conductors in the overhead line system are placed above the tracks, allowing trains to draw power through pantographs that make contact with the wires. On the other hand, the third rail system utilizes an extra rail next to or in between the tracks, where trains gather electricity through a contact shoe. Electrification usually uses voltages of 1,500 volts DC or 25,000 volts AC.

Railway electrification offers benefits such as lower greenhouse gas emissions, improved operational efficiency, and enhanced train performance with quieter operation and faster acceleration compared to diesel trains.

Since 2014–15, Indian Railways has electrified approximately 40,000 route kilometers of broad gauge, significantly boosting the rate of electrification. At present, 94% of the wide meter rail network has electricity, costing ₹ 4,33,460 million was utilized for the procedure between the fiscal years 2014 and 2023 and ₹ 80,700 million designated for the fiscal year 2023-24. Furthermore, there are a total of 459 railway infrastructure projects currently in progress, covering a distance of 46,360 kilometers and with an estimated cost of around ₹ 718 billion.

The Indian Railways have taken a target to achieve net zero carbon emission by 2030. Some of the key steps to achieve this target include 100% electrification of broad-gauge railway network and shift from diesel to electric locomotives.

Railway Electrification offers benefits like:

- o Reduced operating cost
- o Haulage of heavier freight trains and longer passenger trains due to higher haulage capacity of Electric Locomotives; leading to increased throughput
- o Increased sectional capacity by eliminating detention on account of traction change
- o Environment friendly mode of transport
- o Reduced dependence on imported crude oil thereby saving precious foreign currency

Currently, 61,813 Route km on BG network has been electrified, which is about 94% of the total Broad Gauge (BG) network of the Indian Railways. The electrification of balance BG network has been taken up. During 2014-23, Rs 43,3,460 million have been spent on electrification. Further, ₹ 80,700 million have been allocated for electrification during 2023-24. Further, the share of electric locomotives in the Indian Railway fleet has been on the rise.

The wagon design is not expected to undergo significant changes as the current design is compatible with the electrified track network. The passenger coach design is gradually moving towards self-propelled designs which do not need a separate locomotive.

Apart from reduction in the carbon emission, increase in deployment of electric locomotives will be beneficial because they are faster and more reliable and will help in increasing track capacity and overall efficiency of the railway network. With the Indian Railways achieving 100% electrification and the electricity-based metro rail network also being expanded rapidly, the requirement for electricity by the railways is set to increase significantly in the future. Indian Railways consumes approximately 2.5 billion units of electricity annually for non-traction purposes, with an expenditure of around INR 17,000 million per year. Ramp up of domestic power generation through conventional and alternate fuel sources, expansion of existing transmission network will play a key role in ensuring sufficient availability of electricity for the railway operations.

The enhancement of railway infrastructure is driven by several advanced technologies aimed at increasing speed, safety, and capacity. Automatic Block Signalling (ABS) enhances safety by automatically managing a series of train signals that divide the railway line into a series of sections/blocks . The Train Collision Avoidance System (TCAS) uses real-time data to detect and prevent potential collisions, improving network safety. Upgrading to 2x25 kV electrification supports higher operational efficiency by providing a higher voltage power supply, which facilitates faster trains and more frequent services with advanced electric locomotives.

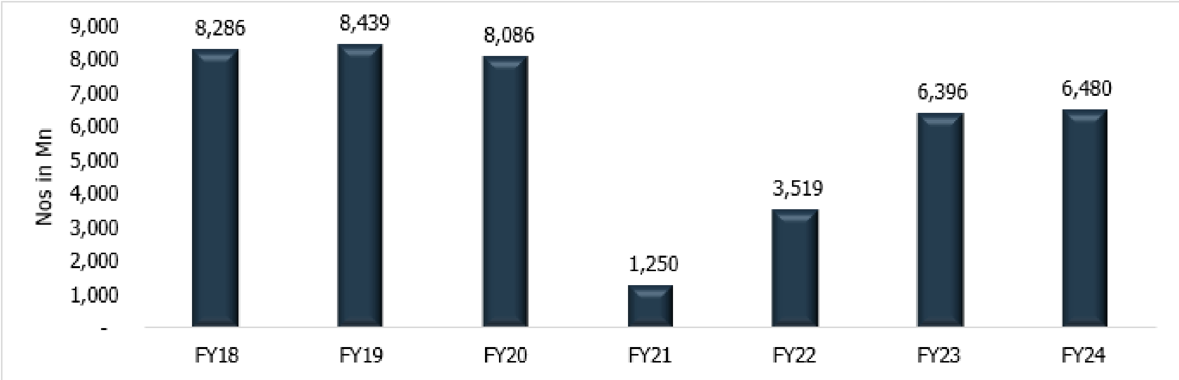
Additionally, advanced track and structure monitoring systems utilize sensors and predictive maintenance tools to continuously assess the condition of tracks and structures, preventing failures and optimizing maintenance. Automatic Train Protection (ATP) systems ensure compliance with speed limits and signal indications by automatically intervening when necessary, further enhancing safety. Together, these technologies contribute to a more efficient, reliable, and safer railway network.

Rail Freight Supports Key Industries and Drives Economic Growth in India

The rail freight sector in India is a critical backbone for numerous key industries, facilitating the efficient transportation of bulk goods across vast distances. Key industries relying heavily on rail freight include coal, steel, cement, and agricultural products. The coal industry is the largest user, with Indian Railways transporting millions of tons annually to power plants and industries across the country. The steel industry depends on rail freight for the movement of raw materials like iron ore and finished steel products. Similarly, the cement industry uses rail freight to distribute cement from manufacturing plants to various construction sites nationwide.

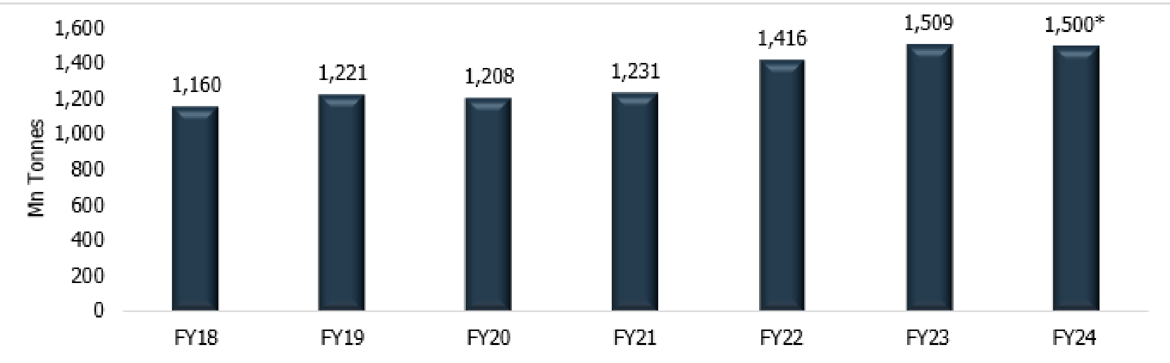
Additionally, the agricultural sector benefits significantly from rail freight, with grains, fertilizers, and other agricultural inputs being transported efficiently to meet the demands of different regions. Rail freight also supports the transportation of petroleum products, automobiles, and industrial goods, making it indispensable for India's economic growth and industrial development.

Passenger Rail Traffic Trends



Source: Indian Rail Yearbook; PIB

Tonnage Trends

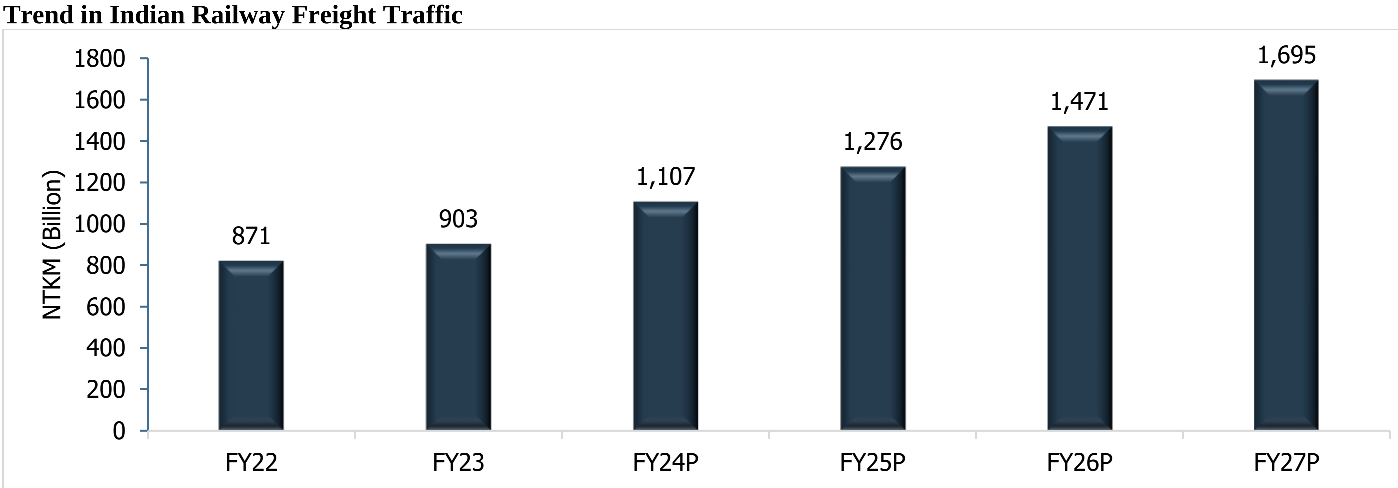


Source: Indian Rail Yearbook; PIB; *till 15th March

Passenger and freight traffic were adversely affected on FY21 due to COVID-19 pandemic, associated lockdowns and restricted movement of passengers and cargo. The passenger numbers declined by 85% in FY21 but the tonnage carried remained steady due to the cargo carriages. Whereas in FY24, the passenger traffic rebound with 82% growth while freight traffic remained in the same range.

Under the NRP, the railway's share in freight transport is expected to increase to 45% by 2030 from existing 26%. This implies that the total freight transported by Indian Railways will increase to 3,000 million tonnes by FY27 and 3,600 million tonnes by FY30 from 1,509 million tonnes in FY232. Further, railway freight traffic measured in Net Tonne Kilometres (NTKM) is expected to double to 1,695 billion NKTM by FY27 from 871 billion NKTM in FY2022.

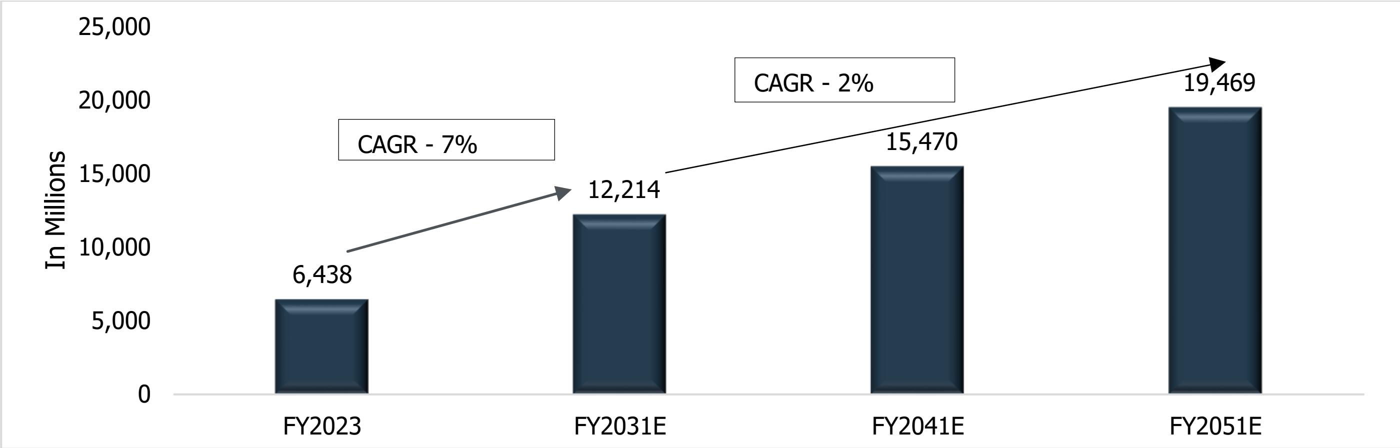
Trend in Indian Railway Freight Traffic



Source: Indian Railways, Report of the Committee on Mission 3000 million tonnes

The passenger traffic is expected to grow at a CAGR of 7% between 2023 and 2031 driven by population growth and growing workforce.

Rail Passenger Traffic Growth trajectory



Source: Indian Railways, National Railway Plan

Regulatory overview

Key government Policies and initiatives

Some of the key policies and initiatives taken up by the government are mentioned below:

- **PM Gati Shakti** is a digital platform for integrated multi-modal connectivity, aimed at improving infrastructure and reducing travel times. With an investment of Rs 1,000 billion, it seeks to lower logistics costs and enhance export competitiveness. Indian Railways has established a directorate for this initiative and introduced a policy to attract private investment in cargo terminals. The Union Budget 2022-23 targets 100 new Gati Shakti Multi-modal Cargo Terminals (GCTs) in three years, with 15 already operational
- **The Dedicated Freight Corridor (DFC)** is a high-capacity rail network for freight, aiming to reduce congestion, increase train speeds to 70 kmph, and handle heavy and long-haul trains. Managed by DFCCIL, it features advanced technologies like double stacking and automated track laying. India's two DFCs—the Western (Dadri to Mumbai) and Eastern (Ludhiana to Dankuni) Corridors—span 3,360 km, with 2,120 km operational as of August 2023. Additional corridors are being planned. Key features of the DFCs include double speeds, higher load carrying capacity, and double stacking capability
- **Amrit Bharat Station Scheme**, launched in March 2023, the aims to upgrade 1,309 railway stations with improved amenities, multimodal integration, and accessibility features. Currently, 553 stations are under redevelopment across 27 states and union territories, with an investment of over ₹ 1,900 billion. The project includes enhancements like better waiting areas, toilets, Wi-Fi, and kiosks, and some stations are being developed through Public-Private Partnerships
- **High Speed Projects:**
  To reduce the transit time, 12 high speed rail corridors with train speeds exceeding 250 km/hour have been proposed by the government, spanning approximately 7,200 Km. The 508 Km Mumbai-Ahmedabad corridor has been taken up for construction at an expected capital expenditure of Rs 1.1 lakh Cr and is expected to be fully operational by 2027. The maximum operation speed of train will be 320 km/hr and distance between Mumbai-Ahmedabad (508 km) will be covered in 2 hours and 7 minutes
- **Semi- High-Speed Projects**
  The Government of India has taken various initiative under 'Make in India' campaign like Semi-High-Speed train, Vande Bharat Express etc. India has embarked on several semi-high-speed rail projects to enhance the speed, efficiency, and connectivity of its railway network. These projects aim to upgrade existing rail lines to support speeds of up to 160-200 km/h, significantly reducing travel times between major cities and boosting economic growth

FDI policy

India's FDI policy for railways is designed to draw in foreign capital and improve the sector's modernization efforts. According to the policy, overseas investors can put money into the Indian railways sector up to 100% through the automatic route, eliminating the requirement for pre-approval from the government.

Investments are promoted in key areas like enhancing railway infrastructure, building and upgrading tracks, stations, and terminals, manufacturing and maintaining rolling stock like locomotives and coaches, and developing advanced signaling and safety systems to enhance operational efficiency and safety.

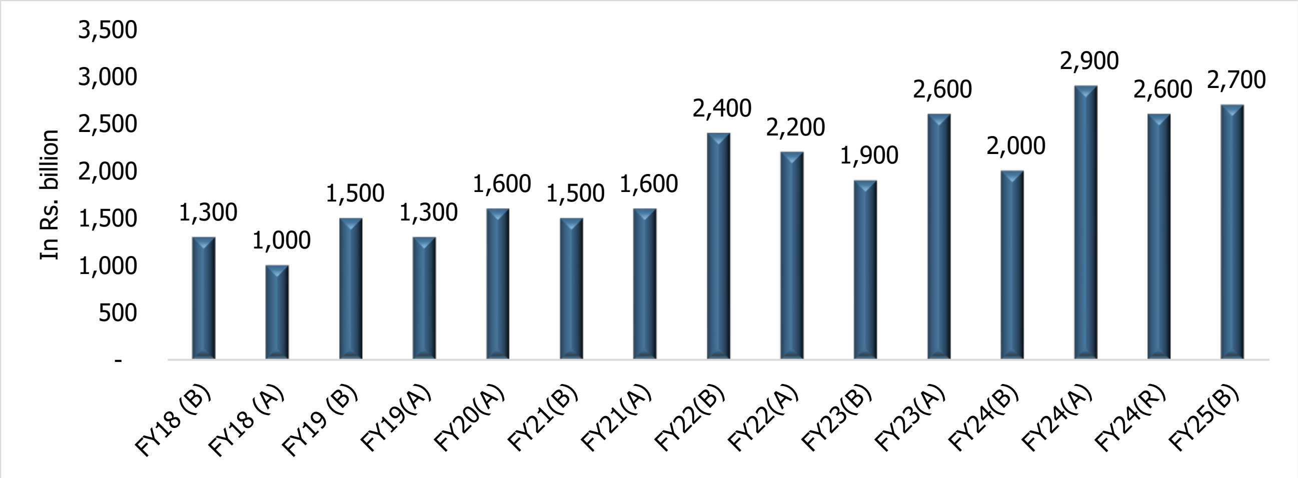
The policy also encourages foreign investors to partner with Indian companies to establish joint ventures that facilitate the transfer of technology and operational skills. Public-Private Partnerships (PPP) are supported, enabling private organizations to work together with the government on project creation and management. Every foreign direct investment in India must adhere to the country's regulations, such as the Foreign Exchange Management Act (FEMA), and be in accordance with the national railway policy.

Investment is highly encouraged in particular projects such as high-speed rail corridors, metro rail systems, and rail-based mass transit systems. Further, promoting foreign direct investment in research and development activities focused on rail technology is aimed at fostering innovation and improving service quality. This thorough structure is created to utilize worldwide knowledge and funds to enhance Indian Railways, enhancing infrastructure and services for passengers and freight.

Rising investments in budgetary/financial support towards railway infrastructure

The budgetary allocation to Indian Railways has been on a rise.

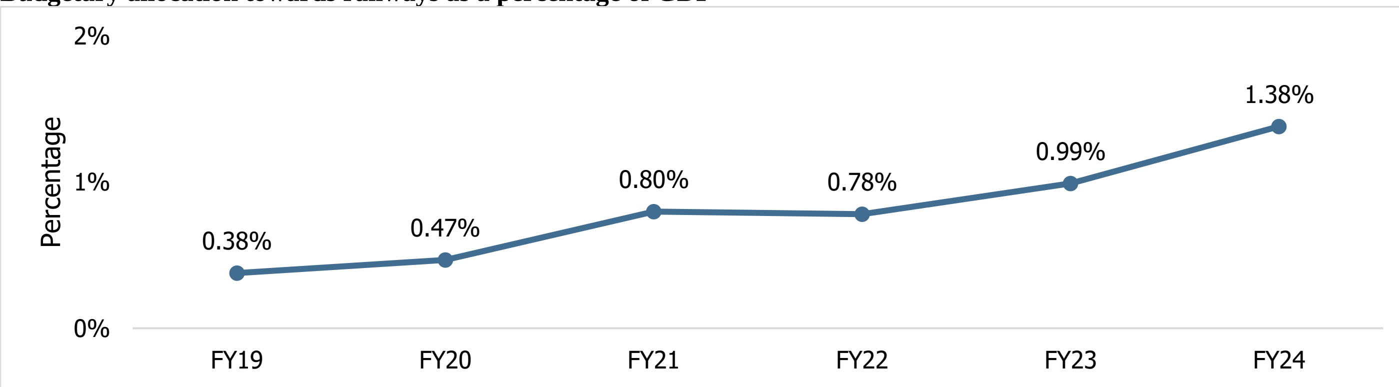
Budgetary Outlay towards Indian Railway



Source: Budget Documents. Note: B – Budgeted, A – Actual, R – Revised and Includes Internal and Extra Budgetary Resources (IEBR)

In the Union Budget 2024-25, the government has allocated Rs 2.7 trillion towards railways. The allocation towards rolling stock, which includes locomotives, freight wagons and passenger coaches, has been on a rise over the past six years and has increased from Y-o-Y Rs 410.86 billion in the union budget 2024-25 from Rs 403.96 billion (revised budget) in 2023-24.

Budgetary allocation towards railways as a percentage of GDP



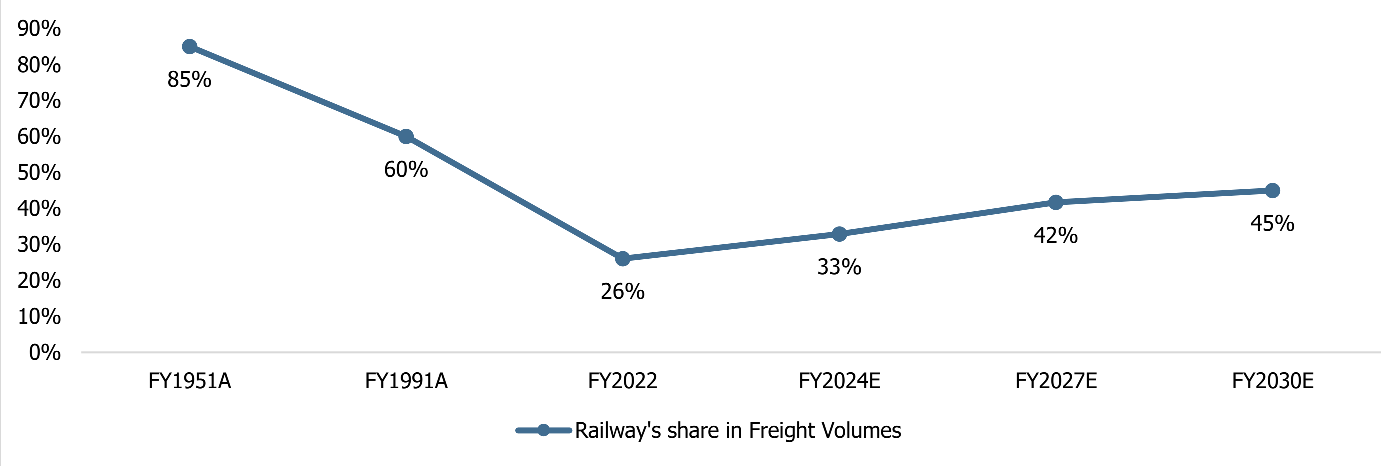
Source: Union Budget 2023-25, MOSPI, CareEdge Research
Note: GDP is considered at constant prices

National Rail Plan

Indian Railways has prepared a National Rail Plan (NRP) for India – 2030 which envisages creation of a 'future ready' railway system by 2030. NRP aims to increase modal share of the Indian Railways in freight to 45% by 2030 from the current 26% by augmenting the freight volumes from 1,418 million tonnes in FY2022 to 3,600 million tonnes by FY2031, implying a CAGR of 11%.

The objective of the Plan is to create capacity ahead of demand, which in turn would also cater to future growth in demand up to 2050.

Modal share of Railways in Freight Transport



Source: Ministry of Railways, National Rail Plan

Following are the key objectives of National Railway Plan:

- Formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45% by 2030
- Reduce transit time of freight substantially by increasing average speed of freight trains to 50Kmph
- As part of the National Rail Plan, Vision 2024 has been launched for accelerated implementation of certain critical projects by 2024 such as 100% electrification, multi-tracking of congested routes, upgradation of speed to 160 kmph on Delhi-Howrah and Delhi-Mumbai routes, upgradation of speed to 130kmph on all other Golden Quadrilateral-Golden Diagonal (GQ/GD) routes and elimination of all Level Crossings on all GQ/GD route.
- 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.

Under the NRP, enablement of Logistics Service Providers (LSPs) and provision of end to end services has been considered as an enabler for rail modal share in India. It has been suggested that the Indian Railways develop a policy that needs to reach out to end shippers in a more efficient manner and establish an institutional mechanism wherein it can partner with LSPs to leverage their superior market access and create end-to-end logistics products for prospective customers. LSPs can consolidate freight and provide single point of coordination as well as add on services to such customers. LSPs can also issue suitable documentation (negotiable instruments) and requisition rakes for mixed cargo needs, apart from providing first/last mile services through other service providers.

Outlook on growth of railway sector

Government initiatives like Mission Raftaar, the Bharat Viksit Railway Program, and the PM-Gati Shakti National Master Plan are key to reshaping India's railway network. These programs aim to enhance speed, capacity, safety, and connectivity across critical corridors, leading to opportunities in Speed Upgradation, Train Collision Avoidance System (TCAS) under KAVACH and Automatic Block Signalling (ABS), addressing the growing needs of passengers and freight logistics. Efforts in electrification, the development of Dedicated Freight Corridors (DFCs), and the implementation of advanced technologies like the Kavach automated train protection system reflect a commitment to sustainability and improved operational efficiency. The government is also prioritizing areas such as overhead electrification, track laying, signaling and telecommunication, and tunnel ventilation. These advancements are expected to reduce travel times and logistics costs while also contributing to environmental conservation.

Looking ahead, despite ongoing challenges, the Indian Railways sector has significant potential. With continued government support, collaboration with the private sector, and ongoing technological improvements, Indian Railways is well-positioned to drive economic growth, enhance connectivity, and solidify its role as a key component of India's infrastructure.

Industrial corridors plan

The Government of India has planned on developing eleven Industrial Corridor Projects under the National Industrial Corridor Programme in phased manner across the country. As per the approved institutional and financial structure, through National Industrial Corridor Development & Implementation Trust, funds are to be provided as equity or debt for the development of infrastructure in the industrial nodes of the country.

Out of the allocated funds as on July 2023, DPIIT has sanctioned and released funds amounting to ₹ 98,998.9 million for the Industrial Corridor Project, which has been utilized to the extent of ₹ 98,169.8 million.

Following 11 industrial corridors are being developed by the Government of India in a phased manner:

- Delhi Mumbai Industrial Corridor (DMIC)
- Chennai Bengaluru Industrial Corridor (CBIC)
- Amritsar Kolkata Industrial Corridor (AKIC)
- East Coast Industrial Corridor (ECIC) with Vizag Chennai Industrial Corridor (VCIC)
- Bengaluru Mumbai Industrial Corridor (BMIC)
- Extension of CBIC to Kochi via Coimbatore
- Hyderabad Nagpur Industrial Corridor (HNIC)
- Hyderabad Warangal Industrial Corridor (HWIC)
- Hyderabad Bengaluru Industrial Corridor (HBIC)
- Odisha Economic Corridor (OEC)
- Delhi Nagpur Industrial Corridor (DNIC)

National Expansion Projects under execution

The Indian government is transforming Indian Railways into a world-class network, as detailed in the Union Budget 2024-25. With a record capital expenditure of ₹2,622 billion and a Gross Budgetary Support of ₹ 2,522 billion, the railways are seeing significant improvements.

Achievements include a peak freight loading of 1,588 million tonnes in FY 2023-24, a rise in track laying to 14.54 kilometers per day, and the electrification of 41,655 Route Kilometers. The budget also supports industrial development through infrastructure at key locations.

Safety has improved significantly, with a decrease in train accidents from 1,711 (2004-14) to 678 (2014-24), supported by initiatives like the Rashtriya Rail Sanraksha Kosh and advanced safety systems like Kavach. Modernization includes new locomotives, updated track structures, and enhanced passenger trains. Land development efforts aim to optimize asset use and support infrastructure expansion.

Projects under the planning, under execution and nascent stage

Year	Project Name	Total kms
CY24	Eastern Freight Corridor Project	1,835
CY24	Western Freight Corridor Project	1,655
CY24	Pune-Miraj-Londa DL Railway Line Project	467
CY24	Guntakal-Guntur DL Railway Line Project	401
CY24	Indore-Manmad Railway Line Project	368
CY25	Bahraich-Khalilabad BG Railway Line Project	240
CY25	Budni-Indore Railway Line Project	206
CY25	Dahod-Indore BG Railway Line Project	201
CY25	Dholpur-Jhansi 4th Railway Line Project	322
CY25	Gadag-Wadi Railway Line Project	252
CY26	Ahmednagar-Beed-Parli Vaijnath Railway Line Project	261
CY26	East Coast Corridor Project	1,114
CY26	Jhansi-Khairar-Manickpur Railway Line Project	425
CY26	Khurda Road-Bolangir SL Railway Line	301
CY26	Kolhapur-Dharwad Railway Line Project	221
CY27	Bangalore Metro Rail Project [Phase-II]	74
CY27	Bengaluru Suburban Rail Project	148
CY27	Dholpur-Sirmuttra GC Railway Line Project	145
CY27	Dhule-Nardana Railway Line Project	51

Year	Project Name	Total kms
CY27	East West Dedicated Freight Corridor Project	1,868
CY28	Hubli-Ankola SL Railway Line	167
CY28	Hyderabad Elevated Metro Project [Phase-II]	115
CY28	Koderma Detour End-New Kastha 3rd & 4th Railway Line Project	47
CY28	Namma Metro Corridor (Sarjapur-Hebbal) Project [Phase-3]	37
CY28	Rishikesh-Karanprayag-Sonprayag Railway Line Project	125
CY28	Srinivasapura-Madanapalli Railway Line Project	75

Source: Projects Today
Note: Top 5 projects from each CY are considered in this table.

Development of metros projects under planning/construction

India currently has 750 Km of operational metro lines with over 2,500 metro coaches being deployed. Historically, majority of the metro coaches were being imported. However, to push the Make in India initiative, the government mandated that 75% of the metro cars and 25% of critical equipment required for metro construction be procured domestically. Currently there are four operational metro coach manufacturing facilities in India which have been set up either by PSUs or international companies and the ICF is in the process of setting up the facility.

Several major metro rail projects are being developed across India, reflecting a substantial investment in urban transit infrastructure. The Chennai Metro Rail Project Phase II is the largest, spanning 118.90 kilometers. It is followed by the Kolkata Metro East-West Corridor with a length of 85.16 kilometers and the Delhi-Meerut Regional Rapid Transit System (RRTS) at 82.15 kilometers. Other notable projects include the Bangalore Metro Rail Project Phase II and Phase 2A & 2B, which together cover 116.67 kilometers, and various Mumbai Metro lines, such as Line 4 at 32.30 kilometers and Line 5 at 24.90 kilometers.

Overall, the total length of these metro rail projects amounts to 953.49 kilometers. This extensive network represents a significant commitment to enhancing urban connectivity and public transportation across major Indian cities, with the aim of improving transit efficiency and supporting sustainable urban development.

Metro Rail Network Under Appraisal/Approval

Sr No	Name of Project	Stretch (Kms)
1.	Remaining three corridors of Delhi Metro Phase-IV Projects	43.68
2.	Nashik MetroNeo	33.00
3.	Nagpur Metro Phase II	43.80
4.	Pune Metro Phase 1A	4.41
5.	Thane Integral Ring Metro	29.00
6.	Pune Metro Rail Project extension Line from Swargate to Katraj	5.46
7.	Gorakhpur MetroLite Project	15.14
8.	Extension of Noida-Greater Noida Metro Rail	14.96
9.	Kochi Metro Phase 1A	2.00
10.	Kochi Metro Phase II	11.20
11.	Jammu MetroLite	23.00
12.	Srinagar MetroLite	25.00
13.	Delhi - Panipat RRTS Corridor	103.02
14.	Delhi-Gurugram-SNB (Shahjahanpur-Neemrana-Behror) Urban Complex RRTS Corridor	106.50

Sr No	Name of Project	Stretch (Kms)
15.	SNB Urban Complex – Sotanala RIICO Industrial Area RRTS Corridor	33.30
16.	MetroNeo project in Dehradun	22.42
17.	Metro Rail from HUDA City Centre to Cyber City and Spur to Dwarka Expressway	28.50
18.	Chennai Metro Phase II	118.90
	TOTAL	**663.29**

Source: PIB

There is a significant opportunities in technologically enabled areas of metros Overhead Electrification, Third Rail, Power Supply Systems, Ballast-less Track and Signaling & Telecommunication system. Indian metro systems are adopting cutting-edge technologies to enhance operational efficiency and safety. Communication-Based Train Control (CBTC) enables constant communication between trains and control centers for precise management, while Automatic Train Protection (ATP) ensures safe train operation by automatically adjusting speed according to signal information.

CIVIL CONSTRUCTION SECTOR IN INDIA

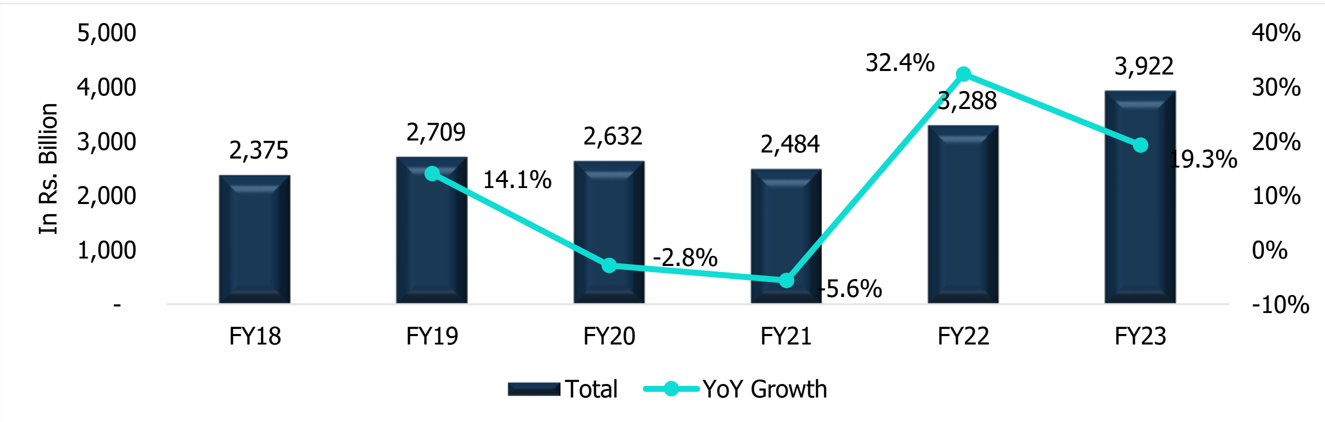
Overview of Construction Industry

Construction Sector to be Driven by Increased Government Spending and Growing Population.

Construction is India's second-largest economic segment after agriculture. India's construction industry employs a work force of nearly 50 million and is the second largest contributor to the GDP after the agricultural sector. The sector contributed 8.4% to the national GVA (at constant price) in FY23. Overall, the Indian Construction sector has grown at a CAGR of 10.6% from FY18 to FY23 from ₹ 2,375 Billion to ₹ 3,922 Billion. The largest segment of Indian Construction industry is Infrastructure segment which contributes 59.7% as of FY23. The major chunk of growth is because of increase in government spending in building infrastructure.

The real estate segment has received a massive boost from government initiatives such as the Affordable Housing Scheme, Goods and Services Tax (GST), and the Real Estate Regulation and Development Act, 2016 (RERA). While the initial months following the implementation of these initiatives created some disruption, the policies increased the transparency and competence of the sector. As a result, the confidence of domestic and foreign investors in the real estate industry witnessed a boost leading to higher FDI in the sector. This has created opportunities across residential and commercial real estate and an uptick in Private industrial capital expenditure.

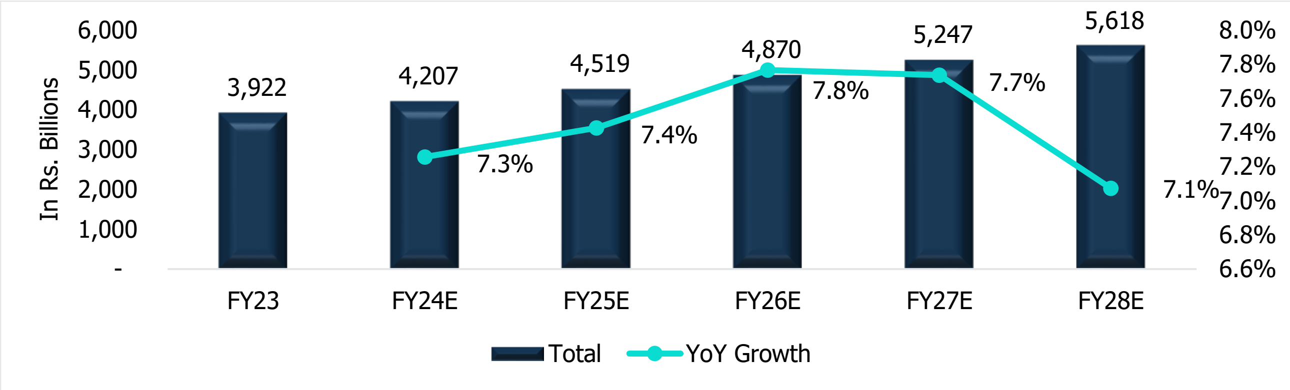
Indian Construction Sector Market Size FY18-FY23 (In ₹ Billion)



Source: CMIE, CareEdge Research

The construction segment witnessed a drop in FY21 due to impact of COVID but has strongly recovered in FY22 and FY23. Further, the construction sector is expected to grow from ₹ 3,922 Billion in FY23 to ₹ 5,619 Billion in FY28 at a CAGR of 7.5%. The industry is expected to be driven by increased government spending and increase in residential real estate with growing population of India.

Indian Construction Sector Market Size FY23-FY28E (In ₹ Billion)



Source: CMIE, CareEdge; E: Estimate

The Indian infrastructure construction industry is projected for continuous growth and accordingly, it garners intense focus from the government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. The industry is driven by urbanization, economic expansion, and the need to upgrade the ageing infrastructure. Both fixed-price and cost-reimbursement contracts are used, with internationally recognized forms like FIDIC contracts being common for large projects. Whereas public-private partnerships (PPP) are a frequent project delivery model, involving private companies in financing and construction. In addition, initiatives like the NIP outline ambitious spending plans for infrastructure projects, creating a stable pipeline of work for construction companies.

India has a large pool of skilled and unskilled labour. Simultaneously, upskilling initiatives are ongoing to improve efficiency and safety standards. Similarly, the infrastructure industry is gradually embracing technologies like prefabricated construction and digital tools to enhance project delivery and productivity. Yet, there is room for improvement. Besides, navigating complex regulations and obtaining clearances can be a challenge for construction companies, potentially leading to delays.

Overall, the Indian infrastructure construction industry presents a dynamic and promising market with large-scale government projects driving growth. However, navigating the regulatory environment and adapting to evolving technologies are crucial considerations.

The Indian government heavily prioritizes infrastructure development. Government-led initiatives such as ‘Make in India,’ ‘Smart Cities Mission,’ and ‘Atmanirbhar Bharat’ focus on infrastructure development, attracting investments, and promoting economic growth. The government has also helped the growth of urbanization through several schemes and projects, including the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and the Pradhan Mantri Awas Yojana (Urban). Such constant government support is likely to foster more investment in the infrastructural domain in the coming years.

Foreign investments also play a crucial role in infrastructural development as they bring in innovation and foster value chains. More liberalization toward foreign direct investments attracts investors to participate in infrastructure projects, bringing in capital, technology, and expertise. Whereas India's rapid urbanization fuels demand for new housing, commercial spaces, and improved urban infrastructure like metro networks, waste management systems, and power grids. Additionally, public and private investments in infrastructure are expected to rise significantly in the coming years. This will create opportunities for all segments.

The key growth drivers for various infrastructure construction segments are as follows:

- **Roads & Highways:** Growing freight movement, focus on national connectivity projects like Bharatmala Pariyojana, and increasing vehicle ownership will drive road and highway construction
- **Railways:** Rising passenger and cargo traffic, expansion of dedicated freight corridors, and modernization plans for the Indian Railways network will boost growth
- **Power:** Demand for reliable power supply, increasing focus on renewable energy integration, and upgradation of transmission and distribution networks are key drivers
- **Ports & Airports:** Expanding international trade, rising air passenger traffic, and government initiatives to develop coastal infrastructure will propel growth in these segments
- **Water & Sanitation:** Increasing water scarcity, growing urban populations, and government programs to improve water supply and sanitation systems will drive investments
- **Digital Infrastructure:** India's growing digital economy necessitates investments in data centres, fibre optic networks, and telecom towers

In addition to these growth drivers, there is a growing focus on using sustainable practices and materials in construction projects, creating opportunities for green building technologies. Whereas advancements in prefabricated construction, Building Information Modeling (BIM), and drone technology are expected to improve efficiency and productivity.

Key Initiatives Introduced by the Budget for Construction

The overall budget allocation for infrastructure-related ministries rose from approximately INR 3.7 lakh crore in FY23 to INR 5 lakh crore in FY24, creating investment opportunities for the private sector in different transport sub-sectors.

Major plans of Indian Infrastructure:

Roads: The Bharatmala Pariyojana is advancing with Phase I concentrating on the construction of 34,800 km of National Highways. This initiative focuses on corridor-based development and is scheduled for completion by 2027-2028, spanning 31 States/UTs and more than 550 districts.

Airports: The Ministry of Civil Aviation's flagship Regional Connectivity Scheme (UDAN) aims to boost air connectivity to regional airports in smaller towns. For the 2023–24 budget, INR 1,244.07 crore was allocated to UDAN, which is double the previous year's allocation. The plan includes reviving 22 airports, along with the government's commitment to rehabilitate an additional 50 airports, heliports, water aerodromes, and advanced landing grounds to further enhance regional air travel infrastructure.

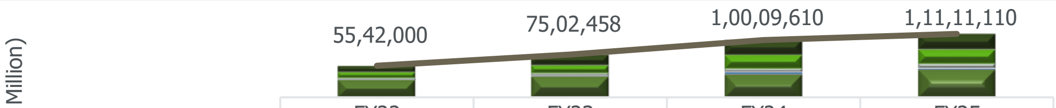
Railways: India's railway sector is embarking on major projects like the Mumbai-Ahmedabad High-Speed Rail Corridor and constructing the world's highest pier bridge, along with the Chenab Bridge in Jammu & Kashmir, the tallest railway bridge in the world. As of December 2023, the nation has electrified 61,508 km of its broad gauge network. Additionally, 35 indigenously designed Vande Bharat Express trains have been introduced, with six more expected to launch soon, further modernizing the rail network.

Ports: India's total port capacity is projected to grow from the current 2,600 million tonnes per annum (MTPA) to over 10,000 MTPA by 2047. From April to November 2023, 86.47 MMT of cargo was transported through waterways, reflecting a 7.49% increase compared to 80.44 MMT in the same period in 2022. Additionally, the government plans to operationalize 23 waterways by 2030, further enhancing the nation's inland water transport infrastructure.

Budgetary Allocation to Address Critical Infrastructure Needs

With the growing population, the long-term need for robust infrastructure is necessary for economic development. This generates the need for massive investments in the development and modernization of infrastructure facilities, which will not only cater to the growing demand but will also ensure competitiveness in the global market.

Key Infrastructure Sectors for Capital Expenditure in Budget FY25



	FY22	FY23	FY24	FY25
Roads and Highways	10,82,000	18,77,440	25,86,055	27,22,412
Railways	10,71,000	13,71,000	24,00,000	25,20,000
Telecom	2,59,000	5,50,390	6,30,888	8,57,201
Oil & Gas	4,000	6,000	3,55,090	1,54,080
Ports	2000	5743.1	10682.1	10779.3
Power	16,000	131	168	5,178
Others	31,08,000	36,91,753	40,26,727	48,41,460
Total	55,42,000	75,02,458	1,00,09,610	1,11,11,110

Others Power Ports
Oil & Gas Telecom Railways
Roads and Highways Total

Source: Union Budget FY25 Analysis

Some of the key government infrastructure schemes include:

- The government has announced plans for the National Monetization Pipeline (NMP) and Development Finance Institution (DFI) to improve the financing of infrastructure projects

- The government has helped the growth of urbanization through a number of schemes and projects, including the **Smart Cities Mission,** the **Atal Mission for Rejuvenation and Urban Transformation (AMRUT),** and the **Pradhan Mantri Awas Yojana (Urban)**

Smart Cities Mission: The Smart Cities Mission, launched on 25 June 2015, is aimed at providing core infrastructure to their citizens through the application of 'smart solutions'. As of September 2023, about 6,000+ projects worth more than ₹ 1.1 Trillion have been completed and the remaining projects will be completed by 30 June 2024.

AMRUT: The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched on 25th June 2015 in selected 500 cities and towns across the country. It has been subsumed under AMRUT 2.0, which was launched on 01st October 2021 for a period of five years, i.e., from FY22 to FY26. It is designed to provide universal coverage of water supply through functional taps to all households.

PMAY: There is a significant thrust on providing housing for all under the Pradhan Mantri Awaas Yojna (PMAY) by the government and the scheme has been getting steady allocation under the union budget.

- **Bharatmala** and **Sagarmala** projects were introduced in 2017 by the Government of India and is a flagship highway development program. The project is expected to reduce logistics costs, improve transportation efficiency, and boost economic development by providing better connectivity between key economic areas. As of October 2023, about 26,350 km length of projects have been awarded and 14,783 km are constructed.

- **National High-Speed Rail Corporation Limited (NHSRCL)** is a government-owned company in India responsible for the implementation of high-speed rail projects. Its most prominent project- the "Bullet Train project" involves collaboration with Japan as it utilizes the Shinkansen technology, known for its safety and efficiency, through a loan agreement with the Japan International Cooperation Agency (JICA).

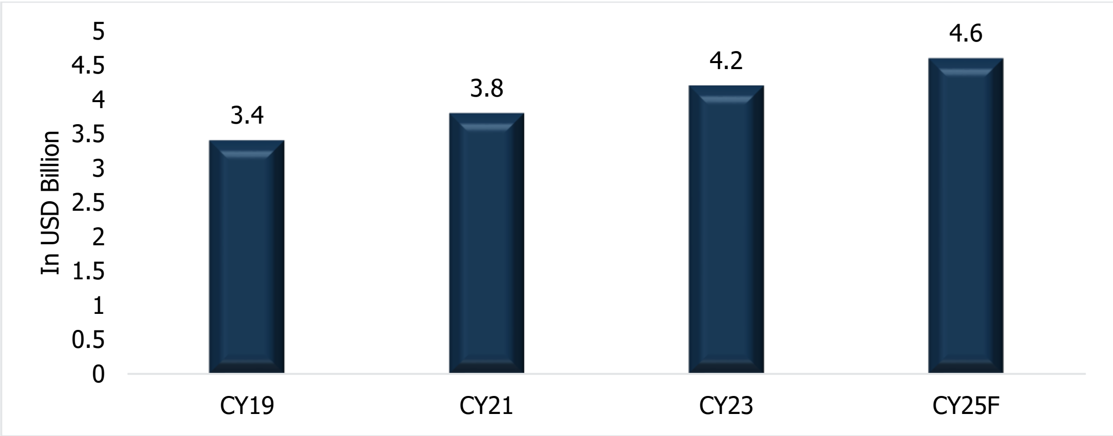
- **Jal Jeevan Mission (JJM)** is a Central Government initiative (launched on 15th August 2019) undertaken by Ministry of JAL SHAKTI. It aims to ensure piped water access to every household in India. Under JJM, 30% weightage was assigned for difficult terrains which inter alia include areas under Desert Development Programme (DDP) and Drought Prone Area Programme (DPAP) while allocating the fund, to prioritize the coverage in these areas. There is an increasing allocation for Jal Jeevan Mission (Rural & Urban) of Government for water supply.

  The estimated cost of the mission is INR 3,600 Billion. The Central and State have a share of INR2,080 Billion and INR 1,520 Billion, respectively of the total cost. The 15th Finance Commission has identified water supply and sanitation as a national priority and allocated funds of INR 2,360 Billion to Rural Local Bodies/Panchayat Raj Institutions (RLBs/PRIs) for the period 2021-22 to 2025-26.

Data Centres

The Indian digital environment is changing rapidly due to the needs of the IT industry, global capability centers, and a growing digital economy. The expansion of the network connectivity ecosystem, crucial for high volume data transfer, is being propelled by the growth of data centers and attracting significant investments. For such a significant increase in capacity, it is crucial for data center companies to blend renewable energy and low-carbon technologies to maintain cost competitiveness for sustainability. There are significant opportunities in pipeline for large scale Data Center projects evident from the fact that the investments in data centres in India is estimated to reach USD 5 billion by 2025, indicating a CAGR of 5% between 2019-2025, which is 2x faster than the global average. With respect to development as well as operating expenses, India enjoys a significant cost advantage over developed nations.

Trend in Indian Data Centre Market Investment (USD Billion)



Source: NASSCOM, CareEdge Research

While these sectors remain the key focus, the government also prioritizes other sectors as India's business environment and demographics are evolving. There is a need for enhanced and improved delivery across the whole infrastructure range, from housing to water and sanitation services to digital and transportation demands. This will further ensure economic growth, increase quality of life, and boost sectoral competitiveness.

Warehousing

To enhance storage capacity for agricultural produce in rural areas, the government introduced Agricultural Marketing Infrastructure (AMI), a sub-scheme of the Integrated Scheme for Agricultural Marketing (ISAM), offering assistance for godown/warehouse construction or renovation. The program offers subsidies of 25% and 33.33% on the project's capital cost, depending on the category of eligible beneficiary. Help is offered to individuals, farmers, groups of farmers or growers, agripreneurs, registered farmer produce organizations (FPOs), cooperatives, and state agencies. Since the scheme began on 01.04.2001 until 30.06.2024, a total of 48,512 storage infrastructure projects (godowns) with a storage capacity of 93.99 million MT have been approved under the scheme, with a subsidy of ₹ A total of 4,734.73 crore has been disbursed.

Lift Irrigation

The government's emphasis on enhancing irrigation efficiency creates opportunities for lift irrigation projects, which are crucial for extending coverage in regions with limited water and challenging topography. States such as Maharashtra, Andhra Pradesh, Telangana, and Karnataka have launched significant lift irrigation schemes, presenting opportunities for private sector participation.

Since water is under the jurisdiction of the State, it is up to the State Governments to initiate water resource projects, such as lift irrigation projects, within their boundaries. This Ministry offers financial support for large and medium irrigation projects, including lift irrigation projects, through Pradhan Mantri Krishi Sinchayee Yojana- Accelerated Irrigation Benefits Programme (PMKSY-AIBP). Below are the specifics of the lift irrigation projects evaluated by the Central Water Commission (CWC) over the past three years:

1. Poorna Barrage-2 (Ner Dhamana) medium irrigation project, Maharashtra: 2nd revised cost estimate for ₹ 888.43 crore, benefitting 6,954 hectare of cultivable command area (CCA)
2. Seven Pneumatically Operated Gated Weirs in Series on Girna river, Maharashtra: Estimated cost of ₹ 781.32 crore, targeting to benefit CCA of 5,540 hectares
3. Bodwad Parisar Sinchan Yojana, Maharashtra: Revised cost estimate for ₹ 3,763.60 crore, targeting to benefit CCA of 53,025 hectares
4. Upper Bhadra Project, Karnataka: Estimated cost of ₹ 16,125.48 crore, targeting to benefit CCA of 2.25 lakh hectare
5. Extension, renovation and modernization of Loktak Lift Irrigation Project, Phase-I, Manipur: Revised cost estimate of ₹ 81.59 crore, targeting to benefit CCA of 12,600 hectares

Estimated Investments in Construction

Industry Growth to be Fuelled by Robust Investment in Infrastructure

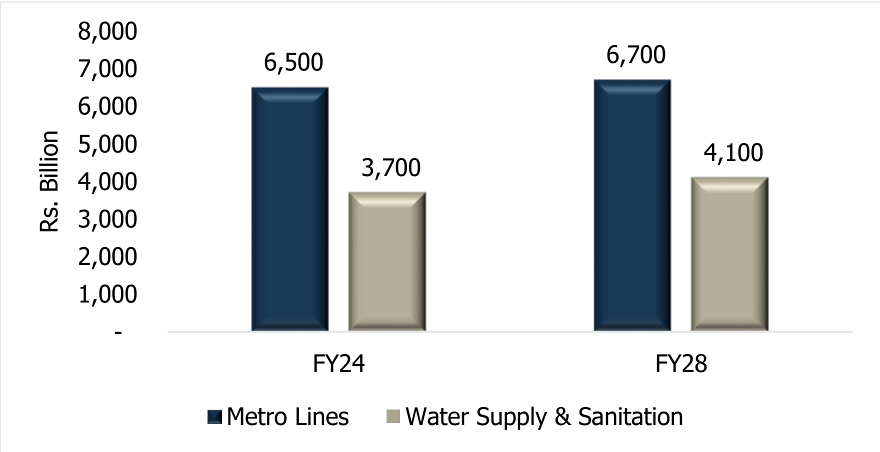
India stands out as the fastest-growing economy globally. It is estimated to emerge as the third-largest economy globally by 2027. The infrastructure sector continues to play a major role, with 3.5% of gross domestic product contribution and ₹ 52,962 billion in investments between Fiscal 2024 to Fiscal 2028.

Road construction is amongst the critical sub-segments for infrastructure development, economic growth, and employment creation. The key challenges in the infrastructure sector are regulatory and policy risks, funding challenges, land acquisition, and environmental clearances. Whereas the key growth drivers for the infrastructure sector are rapid urbanisation, higher budgetary outlay towards infrastructure, and smart city projects.

Some of the highlights associated with growth drivers include:

- In roads, there are over 45,000 km (including 5,000 km with specialized structures such as elevated roads, tunnels, bridges, etc.) currently under consideration for awards, and NHAI anticipates awarding approximately 5,000 km annually through BOT and EPC, presenting a substantial opportunity for infrastructure construction players in India. Additionally, continuous bidding for third-party O&M enables opportunities with projects worth around ₹ 77 billion currently in the pipeline.
- India currently has 874.13 km of operational metro lines including regional rapid transit systems (RRTS). It is proposed to be expanded to 1,700.00 Km across 27 cities by CY2025 and subsequently to 50 cities. The investment is expected to grow at a CAGR of 5-10% in the range of ₹ 6,500 billion to ₹ 6,700 billion from FY24 to FY28.

Investment Forecast



Source: CareEdge Research; FY28 denotes forecasted figure.

- Investments in the Water Supply and Sanitation (WSS) sector have increased at a CAGR of 32.48% from ₹ 362 billion in FY20 to around ₹ 841 billion in FY23. Furthermore, from FY24 to FY28, investments are estimated to grow at a CAGR of 10-12% and be in the range of ₹ 3,700 billion to ₹ 4,100 billion.
- Currently, in India, 149 airports are carrying ~ 327.00 million passengers annually. The opportunity for EPC players in the airport sector would be driven by the new planned airport of ~ 20 in Tier II and III cities and the expansion plan in the existing major busy airports mainly in Metro cities.

In recent years, the government has taken several steps to accelerate infrastructure development, wherein, the key focus areas are transportation, energy, smart cities, water, social infrastructure, and digital infrastructure. There have also been efforts to attract foreign investors in the infrastructure sector through policy reforms. However, infrastructure projects are often expensive and have a long gestation period. To address this issue alongside fundraising and generating returns, the government is continuously striving to create a favourable operating environment for its players.

Accordingly, national and state-level agencies like the National Highways Authority of India (NHAI), state-level bodies, and private sector companies (both domestic and international), are actively participating in infrastructure development. With the growing population, the long-term need for robust infrastructure is necessary for economic development. This generates the need for massive investments in the development and modernization of infrastructure facilities which will cater to the growing demand and ensure competitiveness in the global market.

OIL & GAS PIPELINES

Global natural gas demand to grow steadily over the long term

The natural gas is used as a major energy source across the globe in various sectors such as power, industrial, residential, transportation, etc. Owing to better fuel efficiency, it is a preferred energy source in power sector. Also, it is being increasingly used in various industries as it is a clean source of energy and is cost competitive. The global consumption trend of natural gas in the past 5 years is depicted below:

Global natural gas demand

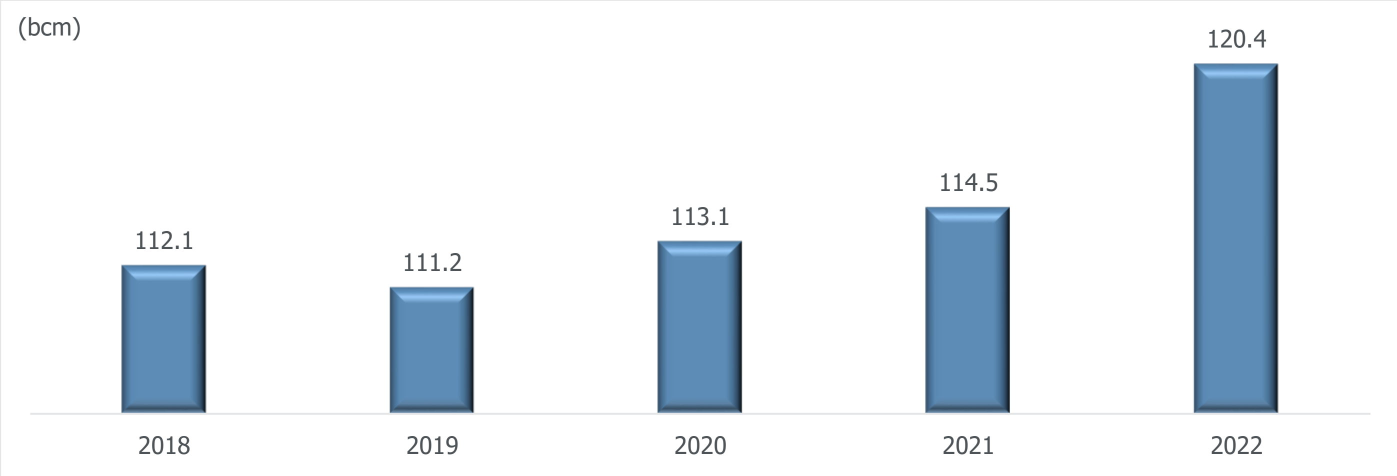
Natural Gas Demand (bcm)						
	2010	**2021**	**2030 (P)**	**2050 (P)**	**CAGR (2010- 2021)**	**CAGR (2021- 2030)**
World	3329	4213	4372	4357	2.4%	0.4%
United States	678	871	864	575	2.5%	-0.1%
European Union	446	421	340	235	-0.6%	-2.3%
China	110	368	443	442	12.8%	2.1%
India	64	66	115	170	0.3%	6.4%
Japan	95	103	64	43	0.8%	-5.1%

Source: IEA (as per stated policy scenario); P: Projected

More than half of the global growth is now driven by the emerging markets. Natural gas demand in Africa and Middle East grew at a CAGR of 5% and 4% respectively from the period 2010 to 2021. Further, the demand for natural gas is expected to grow at a CAGR of 2.5% and 2.2% respectively for the period 2021- 2030 in these two regions.

Saudi Arabia demand grew by 2% from CY18-22, further to grow at a steady pace

Review of Natural Gas Consumption for Saudi Arabia



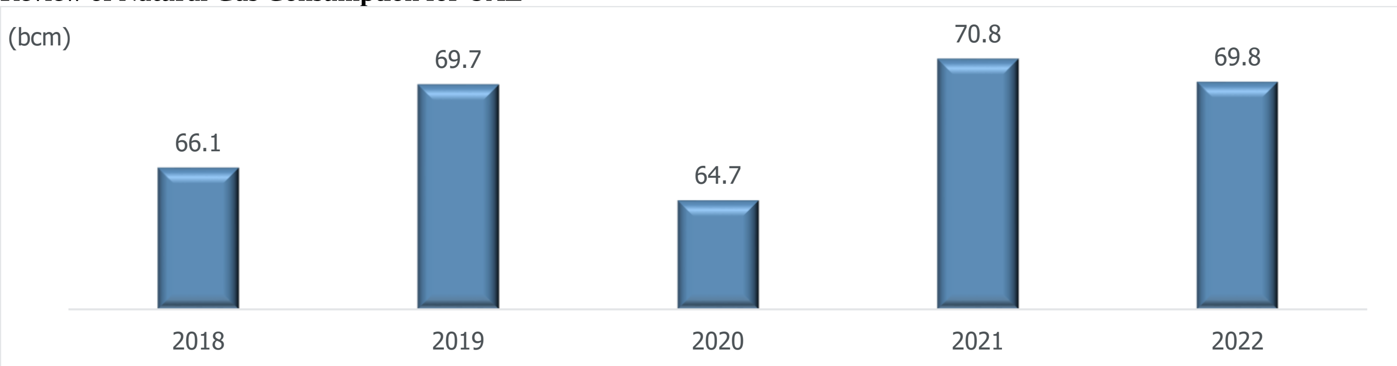
Source: Energy Institute, CareEdge Research

As per GECF, the demand for natural gas in Saudi Arabia is expected to reach around 150 bcm in the early 2040s and then remaining steady. The main reasons behind the forecast are high economic growth, low gas prices, and policy emphasis on using natural gas more, such as replacing oil products in power generation. The country's demand is expected to increase as domestic production expands, supported by investments in new unconventional shale gas extraction, particularly in the Jafurah basin near the Ghawar region.

The increase in natural gas production will help achieve the country's objectives of supplying more gas for power generation and industry, with a focus on the expanding petrochemicals sector due to its strong export-oriented goals. Simultaneously, Saudi Arabia plans to reserve significant gas quantities for producing blue hydrogen and blue ammonia to meet the demands of both local and global markets.

Demand growth to continue remain slower for UAE

Review of Natural Gas Consumption for UAE



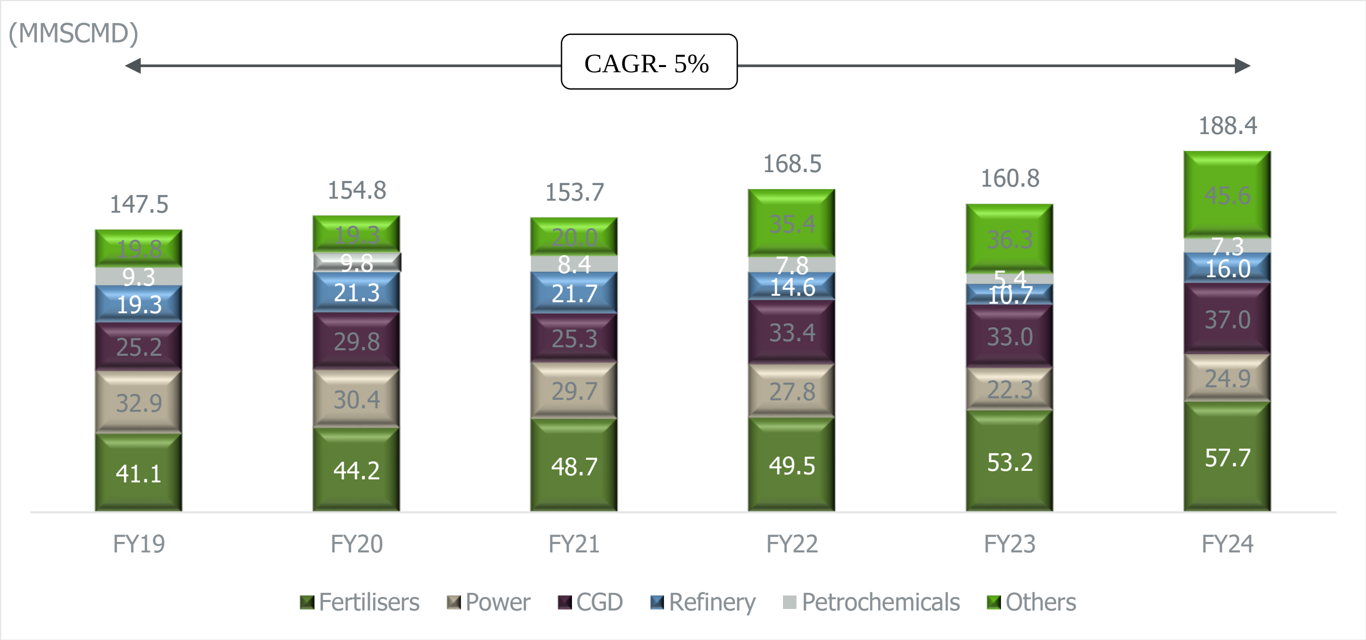
Source: Energy Institute, CareEdge Research

For UAE, forecasts indicate that there will be a substantial slow growth of 7 bcm in natural gas demand from 2022 to 2050 reaching to 75-80 bcm, though this rise conceals varied patterns in different sectors which are the major consumers. Especially, the utilization of natural gas for generating power is expected to decrease with the increase of nuclear and renewable energy sources in order to reach carbon neutrality by the middle of the century. This is expected to keep the demand growth at a slower pace.

Domestic Natural Gas demand grew at a CAGR of 5%, demand growth to sustain over the medium term

The sectoral demand for natural gas is as follows:

Sectoral domestic natural gas demand

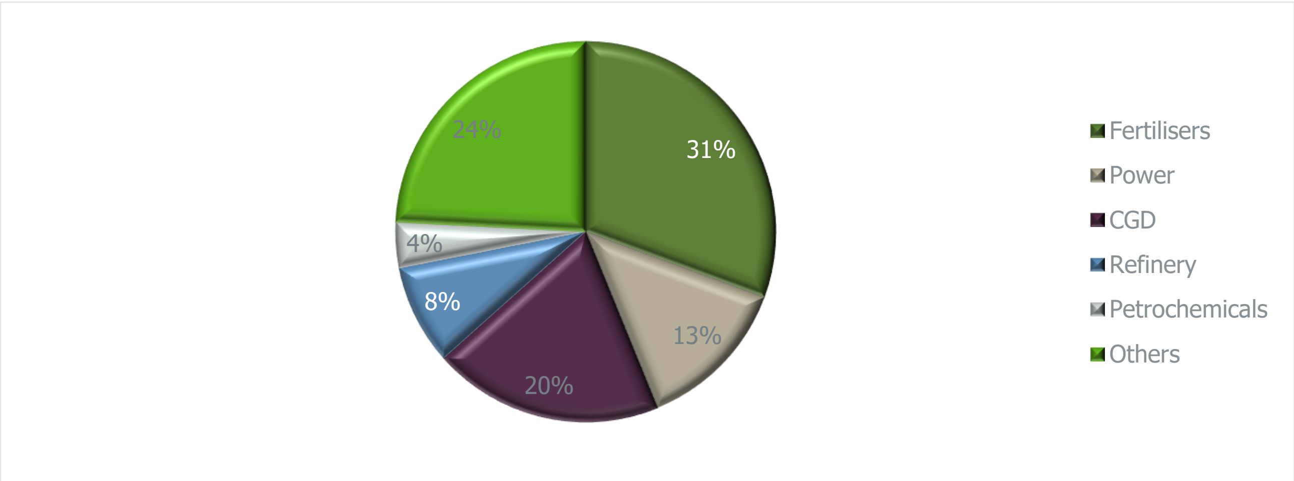


Source: PPAC, CareEdge Research

Natural gas demand has been consistently growing at CAGR of 5% from FY19-FY24. Rising production and increased usage of gas in downstream sectors has spurred growth for the industry.

The overall demand for gas in divided into further sectors contributing to the natural gas demand.

Sectoral share of natural gas demand as of FY24



Source: PPAC, CareEdge Research, Data as of FY24

During the last five years, Fertilizers and CGD have been the primary sectors driving the need for domestic gas in India. This has also resulted in an increase in the percentage of each sector's contribution to the overall economy. In FY19, fertilizers made up 28% of the share, increasing to 31% in FY24, while CGD's share rose from 17% to 20% in FY24.

Having said that, the increasing motivation to use cleaner fuels, along with increased domestic production, has resulted in a rise in overall demand and is expected to keep growing in the long run due to growth in the CGD, Fertilizers, and Power industries. The goal to raise the proportion of natural gas in the nation's energy blend to 15% by 2030, up from 6%, is anticipated to receive more attention in the near future, resulting in sustained demand opportunities.

Fertilizers sector: Demand from Fertilizers sector to grow over the medium term

As of FY24, Fertilizers account for 31% of the sector's total. Gas is used as a raw material to produce fertilizers in the industry. Since FY19, sector has grown at a CAGR of 7% in the demand for gas in the fertilizers sector. The implementation of the government's gas price pooling policy resulted in a rise in gas consumption within the industry. The Ministry has established criteria for allocating natural gas to downstream industries. After CGD, this sector is the top priority for allocating domestic gas for sector-specific demand. This has caused a rise in the supply of natural gas in the industry, resulting in ongoing growth in demand.

During FY24, there was an 8% increase in the demand for fertilizers compared to FY23. The surge in need was due to higher gas consumption in the industry. Fertilizers production in India grew by 3% to 50.4 million tonnes in FY24. Decreased gas prices both in the country and worldwide resulted in a rise in LNG imports along with improved access to natural gas, resulting in increased usage of natural gas in the industry.

LNG imports

Source: PPAC, CareEdge Research

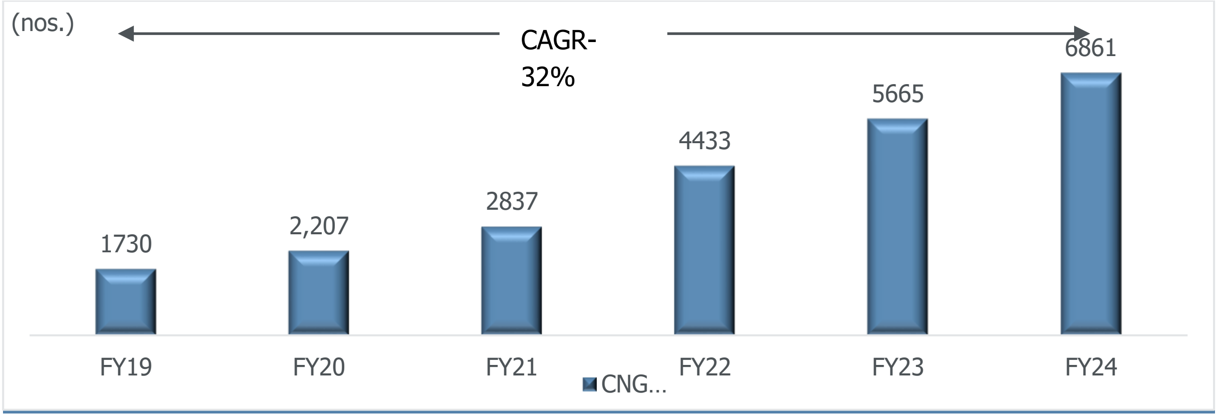
Going further, the demand for LNG in the fertilizers segment is expected to continue to increase in the near future. The main focus for the government's plan to stop importing urea by 2025 is expected to continue to be the primary factor for rise in natural gas consumption for the fertilizers sector. Furthermore, it is anticipated that the subdued demand sentiments worldwide will also keep imported LNG prices low, thus preventing a significant increase in prices. All these factors are likely to aid production growth of fertilizers in India.

City Gas Distribution (CGD) sector: Expansion of gas network to drive the demand for CGD sector

The City Gas Distribution sector accounts for 20% of the gas demand in FY24. The CGD segment experienced an 8% CAGR increase in demand from FY19 to FY24. The segment's growth began when bidding rounds were initiated. This resulted in increased infrastructure development for the CNG and PNG sectors within the CGD sector.

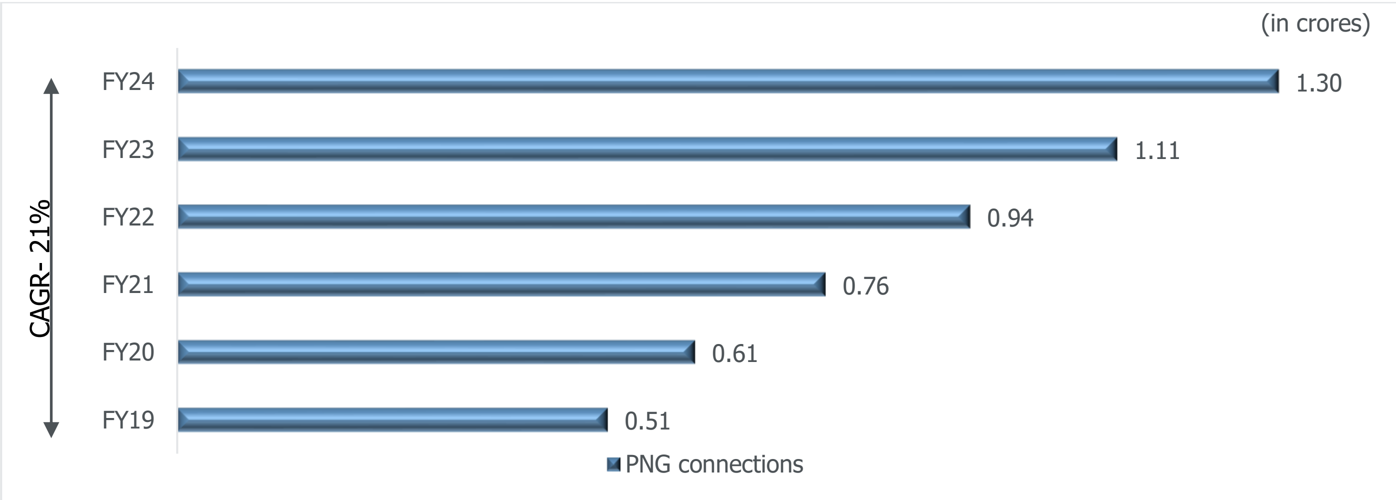
There was a 12% increase in CGD demand in FY24. The government approved Parikh committee's recommendations in April 2023, setting a cap on domestic Administered Price Mechanism (APM) prices at $6.5/mmBtu until FY25. This action caused a significant drop in prices for CNG and PNG, resulting in increased gas usage in the sector. Furthermore, the distribution of domestic gas in the country gives top priority to the CGD sector. Decreased prices, combined with increasing infrastructure for PNG and CNG, drove growth forward. PNG connections grew by 17% while CNG stations grew by 21% in FY24.

Trend of CNG stations in India



Source: PPAC, CareEdge Research

Trend of PNG connections in India



Source: PPAC

The government recently in March 2024 declared the 12th CGD bidding round, which now includes over 300 GAs. By 2030, the government aims to establish over 17000 CNG stations and about 120 million PNG connections, intending to boost demand in this sector. Increased domestic availability, decreased gas prices, and expanding infrastructure including more CNG stations and PNG connections are predicted to drive growth in the sector.

Key growth drivers:

The growth drivers supporting the demand growth are as follows:

Key growth drivers for the industry

Growth drivers/Sectors	Description	Impact story	Duration/Effect
Transportation sector	The rising vehicle ownership and expansion of road infrastructure has led to rise in demand for vehicles in India. This also led to rise in fuel consumption for the country.	The increase in cars and the growing interest in cleaner fuels such as CNG is expected to boost the need for CNG, which will in turn increase the demand for natural gas.	Medium-term positive impact

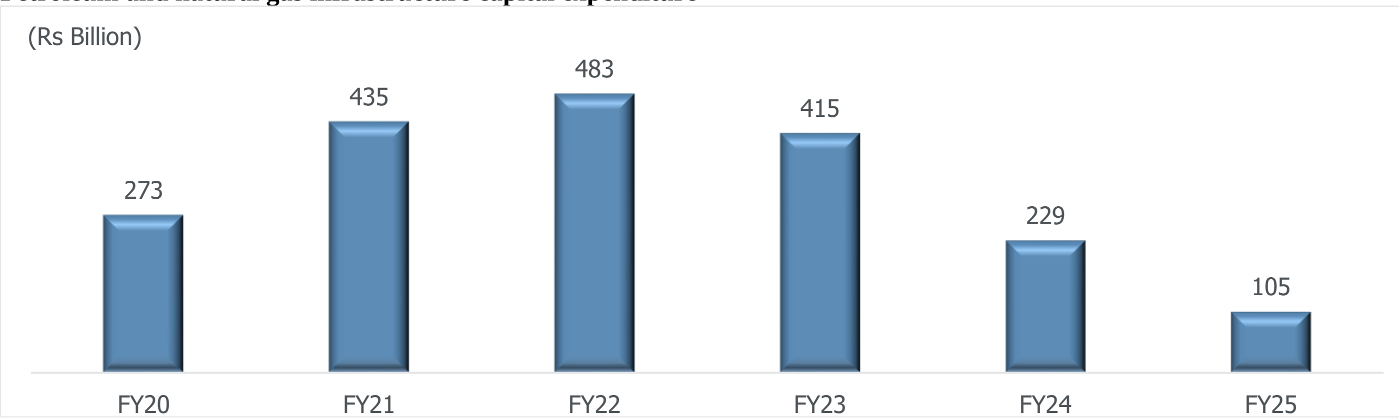
Industrialization	Rising population as well as pickup in economic activity has led to an increase in industrial activity.	This is going to have a long-term impact on the gas demand. As gas continues to see widespread use in industry, growth for natural gas is expected to be driven by increased affordability and connectivity.	Long-term positive impact
Fertilizers	The government is planning to phase out urea imports by 2025 in order to boost domestic production.	To boost the output of gas-based urea and non-urea facilities, higher amount of gas is expected to be utilized in the fertilizer industry, resulting in a rise in demand. If price stability continues, it is anticipated that LNG imports will increase as well.	Medium-term positive impact
Power	Peak power demand is expected to continue to in FY25	The rising temperatures are causing an increase in electricity consumption, leading to higher demand. This leads to an expected surge in the PLF of gas-based power plants, resulting in more gas being used in the power industry.	Medium-term positive impact
Petrochemicals	Massive expansions are taking place in the petrochemicals space by oil and gas majors in order to increase domestic production.	Lowered LNG prices with, increased usage of gas for rising domestic production is anticipated to drive natural gas demand.	Long-term positive impact
Infrastructure	With completion of Geographical areas awarded in the bidding round will lead to surge in CNG stations and PNG connections	This will result in a higher supply of CNG vehicles and more PNG connections, which will fuel the growth of gas through the replacement of LPG.	Medium-term positive impact

India's Pipeline infrastructure

National Infrastructure pipeline ("NIP") covered a wide array of sectors like energy, transport, water, sanitation, social and commercial infrastructure, communication and logistics. Out of the total capex outlay, 24% was allocated to the energy sector.

From the entire energy basket, 7% was allocated specifically to Petroleum and natural gas sector. The breakup of the capex was as follows:

Petroleum and natural gas infrastructure capital expenditure



Source: National Infrastructure Pipeline (NIP), CareEdge Research

Gas Pipeline infrastructure is an economical and safe mode of transporting the natural gas by connecting gas sources to gas consuming markets. Gas pipeline grid determines the structure of the gas market and its development. Therefore, an interconnected National Gas Grid has been envisaged to ensure the adequate availability and equitable distribution of natural gas in all parts of the country. The vast potential that gas offers in India has prompted energy companies to push plans to expand the LNG terminals capacity in India, a move that will expand the clean fuel's reach to relatively smaller pockets of demand where there is limited pipeline access. The pipeline network is vital for enhancing India's gas-based economy, with a focus on increasing the share of natural gas in the energy mix from 6% to 15% by 2030.

As of June 2024, the country currently has over 24,921 km of operational natural gas pipelines, with a target to expand up to 34000 kms under the National Gas Grid.

Current status of natural gas pipeline structure in India

Details		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	23,563	24,921
	Tie-in connectivity	202	
	Dedicated	653	
	STPL	503	
Under Construction Natural Gas Pipelines	Common Carrier	9,528	10,789
	Tie-in connectivity	593	
	Dedicated	122	
	STPL	546	

Source: PNGRB, Data as of June 2024

Major players include GAIL, which operates near about 70% of the pipeline network, along with companies like IOCL, GSPL, PIL, etc.

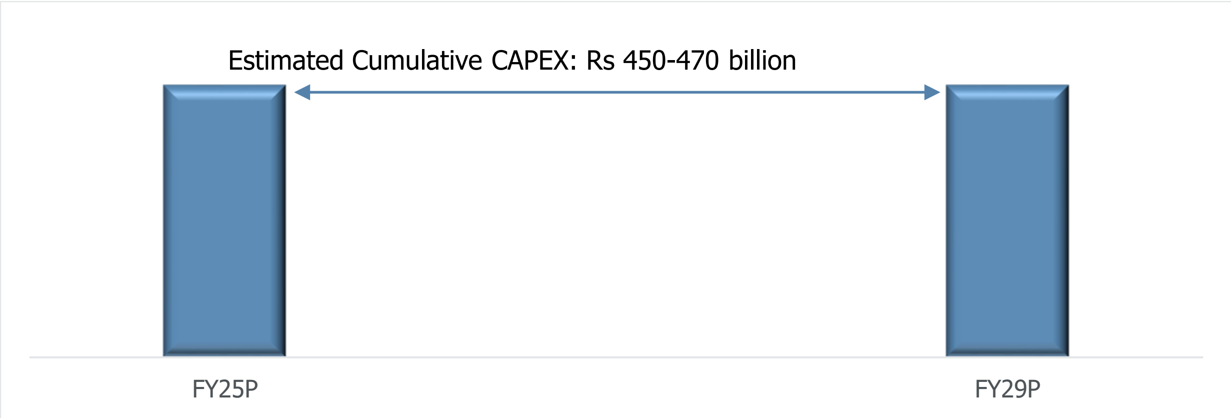
Expected investments in pipeline infrastructure

India is expected to see significant investment in pipeline infrastructure, with over more than Rs 400,000 million over the next 5 years. The investment is focused on expanding the natural gas pipeline network under the National Gas Grid, as well as enhancing oil and product pipelines.

The government aims to achieve the target of 34,000 kms of natural gas pipelines with a focus on improving connectivity to remote regions, boosting domestic production, and reducing reliance on imports.

CareEdge Research estimates near about Rs 450,000 to 470,000 million in next five years until FY29.

Expected investments from FY25–FY29



Source: CareEdge Research & Analysis, P: Projected

These investments are a part of India's broader strategy to increase the share of natural gas in its energy mix and improve energy security.

CABLES AND CONDUCTORS

Overview of Indian power cables and wires market

Wires and cables are vital components in electrical and communication systems, used to transmit power, data, or signals between points. Although often used interchangeably, they differ in structure: a wire is a single, typically cylindrical strand of metal, such as copper or aluminum, used in electrical circuits, home wiring, vehicles, and electronics. In contrast, a cable consists of multiple insulated wires bundled together and encased in a protective sheath, often made of plastic, rubber, or metal, which shields against physical damage and environmental factors. Cables are commonly used in residential, commercial, industrial, and infrastructure applications, from powering machinery to enabling internet connectivity.

Market Segmentation- By Cable types

There are various types of cables such as Low-voltage energy cables, power cables, signal and control cables, fibre optic cables, etc.

Low-voltage energy cables are widely used across industries such as water, renewable energy, power networks, telecommunications, and manufacturing. The growing adoption of smart meter infrastructure and demand for energy-efficient LED lighting are driving market growth. These versatile cables accounted for about 45% of the global market share in 2023.

Power cables are essential for transmitting high-voltage electricity across various sectors, including oil and gas, construction, and automotive. The shift towards grid modernization is driving growth, with upgrades to more advanced cables to meet rising power demands. In 2023, power cables account for about 27% of the global market.

Signal and control cables transmit low-voltage electrical signals for various applications, including automation, telecommunications, and instrumentation. They manage control signals and data in systems like telephones and fiber optic networks. The rising demand for automation and Industry 4.0 has propelled this segment, which accounted for about 10% of the global market in 2023.

The rise of fifth-generation networks and fiber optic infrastructure has accelerated digital transformation across industries. Fiber optic cables offer superior security, reliability, bandwidth, and performance compared to copper cables, using light pulses for faster and more efficient data transmission. This segment accounted for around 5% of the global market share in 2023.

Application of Cables and Wires

Wires and cables are integral components across various industries and applications:

Industries and their applications

Electrical Power Transmission	•Used to transmit electricity from power plants to substations, industrial facilities, commercial buildings, and homes
Telecommunications	•Facilitate the transmission of voice, data, and video across telephone networks, internet infrastructure, and fiber optic systems
Automation and Control	•Employed in industrial automation systems to transmit control signals and power machinery
Construction	•Provide wiring for lighting, heating, cooling, and powering equipment in buildings and infrastructure projects
Automotive and Transportation	•Used in vehicles for electrical systems, including power supply, lighting, and communication networks
Renewable Energy	•Essential for connecting solar panels, wind turbines, and other renewable energy sources to the grid
Marine and Offshore	•Used in ships and offshore platforms for power distribution, communication, and control systems
Aerospace and Defence	•Critical for wiring systems in military equipment, aircraft, and space vehicles
Mining and Industrial Applications	•Support heavy machinery and equipment in mining operations and industrial settings

These varied applications highlight the versatility and importance of wires and cables in modern infrastructure and technology.

Wire & Cable Market

The global wire and cables market was valued at USD 221.03 billion in 2023 and is expected to reach USD 311.22 billion by 2028, growing at a CAGR of 7.1% during this period. The Indian wire and cables market was valued at USD 17.70 billion in 2023 and is expected to reach USD 27.80 billion by 2028, growing at a CAGR of 9.5% during this period, primarily driven by government infrastructure investments, green energy initiatives, and rising demand in real estate and industrial sectors.

Key catalysts of power cables and wires market

The power cables and wires market in India is influenced by several key drivers that are fueling its growth. Here are the key factors:

Infrastructure Development

- Urbanization: Rapid urbanization and the expansion of cities are driving the demand for electricity, which in turn increases the need for power cables and wires.
- Smart Cities Mission: The Indian government's Smart Cities initiative is boosting demand for power infrastructure, including cables and wires.
- Transportation Projects: Expansions in metro rail networks, airports, and highways require extensive use of power cables and wires.

Government Initiatives and Policies

- Electrification Programs: Initiatives like "**Saubhagya**" (Pradhan Mantri Sahaj Bijli Har Ghar Yojana) aim to provide electricity to all households, significantly increasing the demand for power cables.
- Renewable Energy Projects: The push for renewable energy sources, including solar and wind, requires substantial investments in transmission and distribution infrastructure.
- Make in India: The "Make in India" initiative promotes local manufacturing, encouraging the production of power cables and wires domestically.

Growth in Industrialization

- Manufacturing Sector: Growth in manufacturing sectors such as automotive, steel, and cement increases the need for power infrastructure, thereby boosting demand for cables and wires.
- Data Centers and IT Hubs: The expansion of data centers and IT hubs due to the growing digital economy requires robust power supply systems.

Technological Advancements
- Smart Grids: The implementation of smart grid technology requires advanced cables and wires that can handle higher loads and provide efficient power transmission.
- Advanced Cable Materials: Innovations in cable materials, such as high-temperature superconductors and fiber optics, are driving demand for more efficient and reliable power cables.

Rising Energy Consumption
- Increased Electricity Demand: The rising population and growing middle class are driving higher energy consumption, necessitating enhanced power distribution networks. In FY23, the electricity demand in the country was 1,512 billion units, while the available supply was 1,504 billion units, indicating a deficit. As demand continues to grow, the industry is expected to focus on closing this gap and accommodating the anticipated increase in energy needs in the coming years.
- Rural Electrification: The ongoing efforts to electrify rural areas are contributing to the increased demand for power cables.

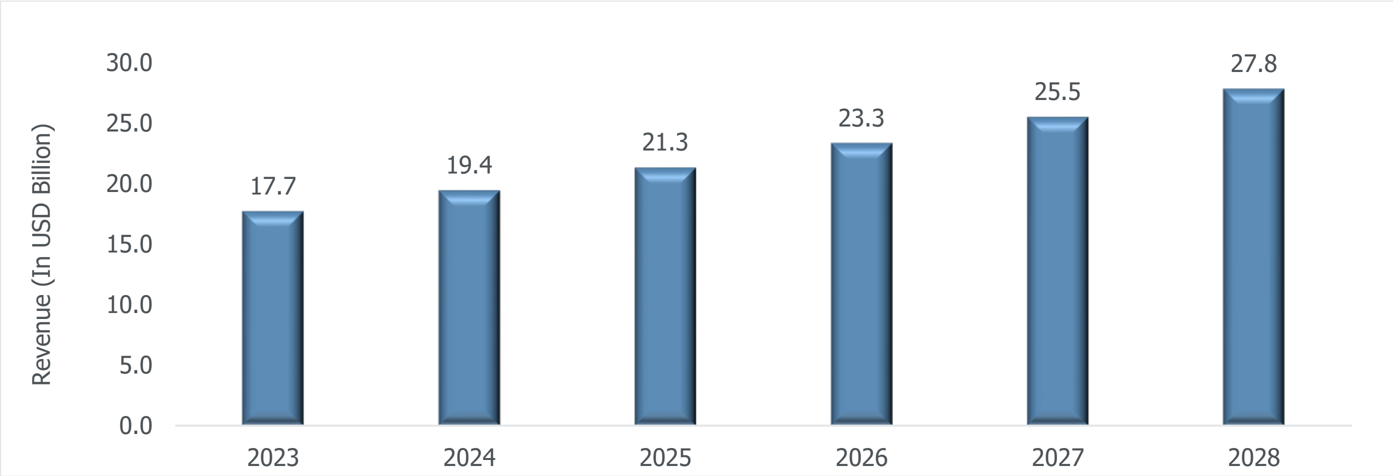
Real Estate and Construction Boom
- Residential and Commercial Construction: As per industry estimates, in India, around three houses are built per 1,000 people per year as against the required construction rate of five houses per 1,000 individuals per year. This indicates that there is a significant untapped potential for growth in the sector. While the current shortage of housing in urban areas is pegged at around 10 million units, the shortage in the affordable housing space is expected to be much higher considering the population belonging to that strata. Along with this, increased economic growth and the uptick in India's service sector has created additional demand for office space, which in turn is likely to result in greater demand for housing units in nearby vicinity. This growth in residential, commercial, and industrial construction drives the need for electrical infrastructure, including power cables and wires.
- Green Buildings: The Indian Green Building Council (IGBC) was formed by the Confederation of Indian Industry (CII) in 2001. The vision of the council is to enable a Sustainable built environment for all. Till date, more than 3,088 projects (approx. 1,315 million square feet) have been rated by IGBC. This trend towards green buildings and sustainable construction is also contributing to the demand for eco-friendly and energy-efficient cables.

Automotive Sector
- Electric Vehicles (EVs): The penetration of EVs has increased to 7% of the total vehicle sales in FY24. This can be compared to the ambitious targets set by Government of India at 30% EV penetration by 2030. In FY24, the EV sales have witnessed massive growth of 41.7% in y-o-y units sold. This increasing adoption of electric vehicles in India necessitates the development of charging infrastructure, which requires specialized power cables.
- Automobile Manufacturing: The automotive industry contributes around 7% to India's GDP. The growth of this sector benefits the commodity sector as vehicle manufacturing requires steel, aluminum, plastic, etc. It also holds importance for the NBFC/Banks in the form of automobile financing. Moreover, it is a crucial source of demand for the oil & gas industry. Expansion in automobile manufacturing facilities also boosts demand for cables and wires in production plants.

These drivers are collectively contributing to the growth and development of the power cables and wires market in India, making it a vital component of the country's infrastructure and industrial expansion.

Indian power cables and wires market

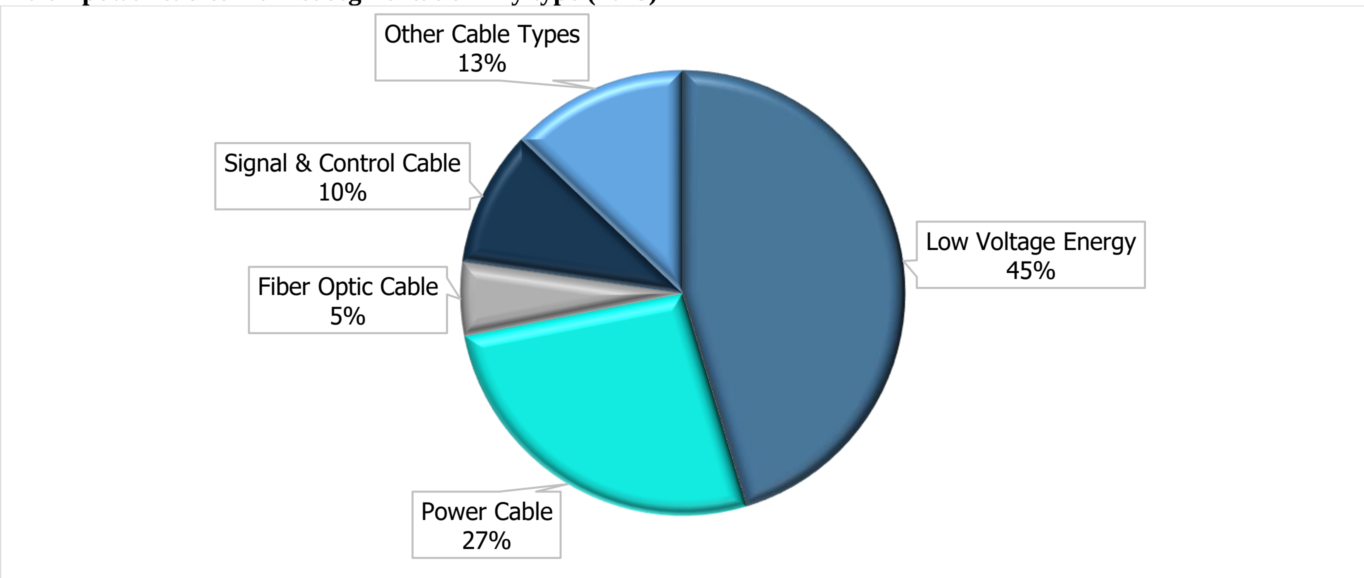
Forecast of Indian Cable and wire market



Note: E- Estimate

The cable and wire industry growth in India is driven by the increasing demand in electricity, construction, and telecommunications sectors. These sectors are expected to see significant growth from 2023 to 2028, boosting the demand for wires and cables. Additionally, factors like economic growth, manufacturing expansion, commodity prices, and sustainability will impact the industry's development.

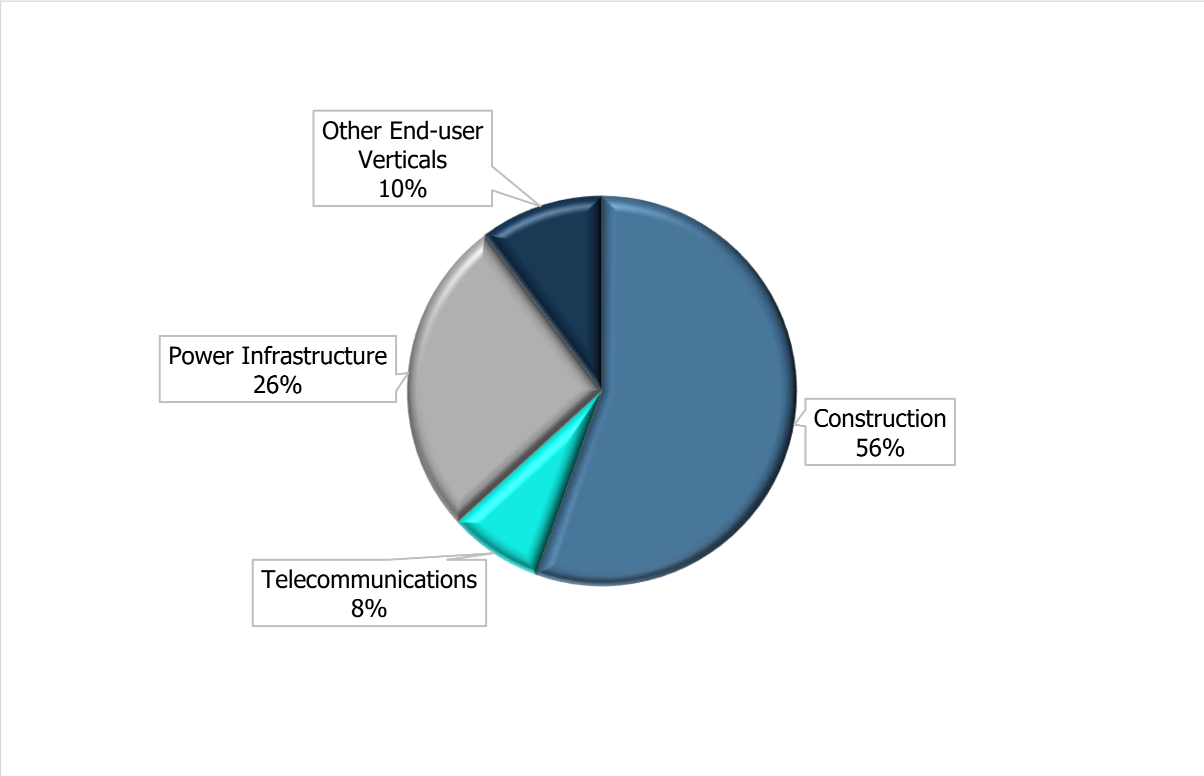
Indian power cables market segmentation- By type (2023)



Source: Mordor Intelligence

Low-voltage cables are crucial for smart grids, facilitating secure data transfer, energy distribution control, and power fluctuation management, accounting for about 45% of the Indian market. Power cables, with a 27% market share, transport high-voltage electricity from power plants to sectors like oil and gas, construction, and industrial applications. Together, low-voltage and power cables make up approximately 72% of the Indian market.

Indian power cables market segmentation- By End-user application (CY2023)



Source: Mordor Intelligence

Wires and cables are crucial in underground construction, connecting networks, transmitting data, and supporting security systems. Homes use various types of wiring, representing about 56% of the Indian market. In the power industry, they facilitate data transmission between control centers and substations, and monitor power grid components, accounting for approximately 26% of the Indian market.

OVERVIEW OF KEC INTERNATIONAL AND OTHER LEADING EPC PEERS

KEC International Limited Overview

KEC is one of the largest power transmission companies in India with global presence. As of June 30 2024, the company serves clients across six continents and in over 110 countries. KEC is a prominent global EPC player in India, majorly focused on providing integrated turnkey solutions across railways, renewables, civil construction & transmission and distribution sector. Its subsidiary, SAE Towers, incorporated in the USA is the manufacturer of steel lattice transmission towers, poles, hardware, substation structures, hardware and fittings.

The Company's EPC offerings are broadly divided into T&D, residential and commercial buildings, manufacturing facilities, water projects, data centers, railways, urban infrastructure, renewable energy projects, and oil and gas projects. It also manufactures cables and transmission towers. As on March 31, 2024, the company had received almost half of the order book from T&D business segment. Civil carries 34% order book, followed by Railways (11%), Cables , Oil & Gas and Renewables (2% each).

Further, KEC is adopting precast technology for faster construction in Building and Factories. Precast concrete is a durable construction product, produced by casting concrete in a reusable mould or "form" and then transported to the construction site.

The company also focusses on EPC for viaducts, stations, depots, track works – ballasted and ballastless (BLT), and electrification & power supply systems for Metro Rail and Regional Rapid Transit Systems (RRTS) segments. As per company's diversification strategy, the business expanded its presence in technologically enabled areas. It is active in the railway sector of Auto Block Signaling, TCAS (KAVACH) and 2x25kV upgrades. It is now executing OHE, third rail, ballast-less track works for Metros, and next-generation Signaling & Telecommunication systems for the Dedicated Freight Corridor. It has developed the capabilities to execute large - scale renewable projects of up to 600 MWp, including Single Axis Tracker technology.

The company has also adopted advanced survey methods such as LIDAR, drones, and photogrammetry to collect precise data for projects execution. They have developed knowledge in Building Information Modelling ("BIM") to improve efficiency and optimise cycle time in engineering. KEC is also active in tower testing in transmission and distribution segment.

Peer set's Business Overview

Name of the Company	ITD Cementation India Limited	NCC Limited	Kalpataru Projects International Limited	Larsen & Toubro	Skipper Limited	Techno Electric and Engineering Company Limited
Business Overview	ITD Cementation India Limited specializes in civil, marine, and industrial infrastructure, offering design, engineering, and construction services for maritime structures, highways, bridges, tunnels, airports, and urban projects, with expertise in foundation and geotechnical engineering.	NCC Limited is a construction company with capabilities in infrastructure development, including roads, buildings, water supply, power, and urban projects. The company provides a wide range of services, including civil construction, turnkey projects, and EPC services. NCC's diversified portfolio also covers real estate development, water and environmental management, and electrical transmission lines.	It is an infrastructure company specializing in the transmission and distribution (T&D) sector. It offers design, engineering, procurement, and construction services for power transmission lines, substations, and distribution networks. KPIL also operates in oil and gas pipelines, railways, and civil infrastructure.	L&T's EPC division is in large-scale infrastructure projects, supported by advanced manufacturing facilities for heavy engineering and construction equipment. The division provides a broad range of products and services, including turnkey solutions for power plants, oil and gas installations, water treatment facilities, and transportation infrastructure.	It is a diversified engineering company with manufacturing capabilities for transmission and distribution structures, telecom towers, and polymer products. The company produces power transmission towers, distribution poles, and substation structures, along with high-performance polymer pipes and fittings.	Techno Electric and Engineering Company Limited offers EPC services for the power sector in India, focusing on electrical components, power transmission, distribution systems, substations, and O&M services.

Name of the Company	ITD Cementation India Limited	NCC Limited	Kalpataru Projects International Limited	Larsen & Toubro	Skipper Limited	Techno Electric and Engineering Company Limited
Market presence	Operates across 14 Indian states and internationally in Bangladesh and Sri Lanka.	Pan India	Across 30 countries in Asia, Africa, the Middle East, and the Americas	L&T's EPC division executes projects across India and internationally, particularly in the US, Europe, the Middle East, Southeast Asia, and Africa.	Operates in over 55 countries, including regions like the Americas, Africa, the Middle East, and Southeast Asia.	Pan India

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 17 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 43, 290 and 91, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. 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 for Fiscals 2022, 2023 and 2024 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the three months ended June 30, 2024, included herein is derived from the Unaudited Limited Review Results included in this Preliminary Placement Document. For further information, see "Financial Information" on page 290.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Infrastructure & Construction Industry" dated September 24, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE**"), appointed by us on August 9, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE 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. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose." on page 69.*

OVERVIEW

We are among the prominent global engineering, procurement and construction ("**EPC**") players in India *(Source: CARE Report)* engaged in project execution and providing customized solutions right from design and engineering, manufacturing, procurement, and execution and commissioning of projects. Our track record of success across diverse global projects is testament to our robust design, engineering, manufacturing, procurement, execution, and project management capabilities.

We are part of the RPG Group, a globally diversified business conglomerate with operations in the areas of infrastructure, automotive tyres, information technology, pharmaceuticals, energy, plantations, and venture capital, with a market capital of over US$ 7 billion as at September 13, 2024.

We are engaged in the following businesses:

*Transmission and Distribution ("**T&D**")*. We provide comprehensive end-to-end solutions for building transmission lines and substations and manufacture transmission towers, poles, substation structures, and hardware. We are one of the largest power transmission EPC companies globally *(Source: CARE Report)* with seven decades of experience. We also operate four tower testing stations strategically located in India and Brazil allowing us to offer complete testing solutions for transmission towers of up to 1,200 kV. In Fiscal 2024, we recorded a substantial increase in revenues from our T&D business, and also witnessed a substantial growth in our Order Book, with an order intake of ₹ 10,972.87 crore across India, Middle East, Americas, SAARC, Africa, East Asia Pacific, Europe, Australia and Commonwealth of Independent States ("**CIS**").

Civil. Over the years, we have diversified our capabilities in civil infrastructure and are currently engaged in developing large scale infrastructure projects that include buildings and factories, public spaces, water pipelines and water treatment plants, data centers, and logistics and warehouses. In Fiscal 2024, our civil business secured orders of ₹ 4,217.08 crore across multiple sectors from a diverse range of customers, underscoring our reputation as a reliable construction partner in the industry. We are committed to diversify our civil business across various sectors and capabilities, which will help us to further grow our margins in the civil business.

Railways. Our railway business provides end-to-end EPC services for track laying, over-head electrification ("**OHE**"), civil infrastructure as well as for technology-intensive segments such as signaling and telecommunications, automatic block signaling ("**ABS**"), tunnel ventilation and train collision avoidance systems ("**TCAS**"). We continue to build our capabilities in line with the technology evolution of the railway business. During Fiscal 2024, we secured orders of ₹ 1,077.53 crore. Our railway business has also successfully forayed into international market by securing a large signaling and telecommunication project in Bangladesh. We are actively pursuing opportunities in new markets of Middle East and Africa and forging partnerships in the region by leveraging our international presence.

Urban Infrastructure. We have established a strong footprint in the urban infrastructure business which focusses on EPC for viaducts, stations, depots, track works – ballasted and ballastless, and electrification and power supply systems for metro rail and regional rapid transit systems. We are executing projects in Delhi, Kochi, Chennai, Meerut, Bhopal, Ahmedabad and Mumbai. Our execution capabilities ensure that projects of national importance such as Delhi Meerut Rapid Rail and Kochi Metro project were commissioned on time. These projects stand as testament to our engineering capabilities. As we continue to navigate the dynamic landscape of metro projects across the nation, we remain committed in our pursuit of excellence, innovation, and unwavering dedication to delivering world-class infrastructure solutions and reaffirm our position as a leader in the urban infrastructure domain. Revenue from this business is allocated to either the civil or railways business based on the specific nature of each project.

Oil and Gas. Our oil and gas business focusses on providing EPC services for cross-country oil and gas pipelines, sectionalizing valve stations, intermediate pigging stations, receiving and despatch terminals, and composite station work projects. We are also laying iron ore slurry pipeline and water pipelines across India. Our oil and gas business has secured its first international project for laying a gas pipeline in Benin, Africa.

Cables. We specialize in manufacturing power cables, control and instrumentation cables, railway contact and catenary conductors, signaling and quad cables, telecom cables and special cables for a wide range of applications and offering turnkey cabling solution across India and international markets. Our cables are sold under the brand "Asian Cables" which we believe are synonymous with superior quality and reliability. In Fiscal 2024, our cables business had an order intake of ₹ 1,923.00 crore.

Renewables. Our renewables business is focused on offering EPC services for green energy generation and energy evacuation projects. We are currently providing EPC services across large-scale ground-mounted solar power projects, and we are actively bidding for EPC projects for wind-based power plants, green hydrogen generation as well as hybrid energy projects. Our extensive experience in delivering large ground-mounted solar projects combined with longstanding relationships with utilities, grants us unique expertise in providing comprehensive concept-to-commissioning integrated solutions for green energy generation and evacuation projects. Our in-house manufacturing capacity of module mounting structures and special solar cables, combined with a strong emphasis on accelerated project execution, enable us to deliver greater value to our customers.

The table below sets forth our revenue from operations across our strategic business units ("**SBUs**") and other operating revenue for Fiscal 2022, 2023 and 2024:

Business	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount (₹ crore)	**Percentage of Revenue from Operations (%)**	**Amount (₹ crore)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ crore)**	**Percentage of Revenue from Operations (%)**
T&D	6,721.60	48.91	8,557.77	49.52	10,322.79	51.84
Civil	1,887.67	13.74	3,303.25	19.11	4,266.71	21.43
Railways	3,803.19	27.68	3,660.38	21.18	3,058.09	15.36
Smart Infra(1)	51.26	0.37	-	-	-	-
Oil & Gas	175.49	1.28	338.42	1.96	345.59	1.74
Cables	859.07	6.25	1,132.24	6.55	1,191.86	5.98
Renewables(2)	15.51	0.11	4.74	0.03	410.30	2.06
Other operating revenue	228.47	1.66	284.91	1.65	318.83	1.60
Total	**13,742.26**	**100.00**	**17,281.71**	**100.00**	**19,914.17**	**100.00**

Note:

(1) Revenue from operations from Smart Infra starting from Fiscal 2023 and 2024 is recognized under the Railways SBU.

(2) During Fiscal 2022, 2023 and 2024, revenue from renewables in financial statements was referred as Solar SBU.

We have strong manufacturing capabilities with eight strategically located manufacturing facilities, as of June 30, 2024. We operate three manufacturing facilities in India, and one manufacturing facility each in Dubai, Mexico and Brazil with manufacturing capacity of approximately 434,000 metric tons ("**MT**") per annum globally for transmission towers, poles, hardware and fittings, structures for sub-station, railways, and solar, shutters, formwork and scaffolding. We also have two manufacturing facilities in Vadodara and Mysuru for manufacturing wide range of cable products.

We undertake our operations with the aim of transforming lives by building sustainable world class infrastructure. We incorporate sustainability across our operations, and we were ranked first in India amongst the companies in the engineering and construction sector by both S&P Global DJSI and Morningstar Sustainalytics. Our environment, social and governance ("**ESG**") initiatives include reducing waste, water consumption intensity, sustainable energy consumption and reducing greenhouse gas emissions across our projects and manufacturing facilities.

We have witnessed an increase in our Order Book position over the last three Fiscals, which increased from ₹ 23,715.54 crore as of March 31, 2022 to ₹ 29,644.46 crore as of March 31, 2024 and was ₹ 32,714.75 crore as of June 30, 2024, contributed primarily from our T&D, civil, and railways SBUs. Further, 74.48% of our Order Book, as of June 30, 2024 was from domestic customers while 25.52% was from international customers.

We have also established a track record of profitability over the last three Fiscals. Our revenue from operations have been consistently increasing and grew at a CAGR of 20.38% between Fiscal 2022 and Fiscal 2024 while our EBITDA also witnessed a healthy growth at CAGR of 15.94% from ₹ 903.50 crores during Fiscal 2022 to ₹ 1,214.57 crores during Fiscal 2024 and was ₹ 270.37 crores in the three months ended June 30, 2024.

The table below sets forth details of financial and operational metrics for 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 Three months Ended June 30, 2024
	(₹ crore, unless otherwise stated)			
Order Book(1)	23,715.54	30,552.69	29,644.46	32,714.75
- India	14,944.98	20,990.52	22,155.25	24,367.45
- International	8,770.56	9,562.17	7,489.22	8,347.30
Order Book Intake(2)	17,202.78	22,378.10	18,101.55	7,663.62
Revenue from Operations	13,742.26	17281.71	19,914.17	4,511.89
Profit After Tax	332.08	176.03	346.78	87.58
Profit After Tax Margin(3)	2.42%	1.02%	1.74%	1.94%
EBITDA(4)	903.50	829.73	1,214.57	270.37
EBITDA Margin (5)	6.57%	4.80%	6.10%	5.99%
Net Debt(6)	2,869.19	3,123.60	3,793.73	4,265.85
Net Debt to Equity(7)	0.79	0.83	0.93	1.03
Return on Equity (%)(8)	9.52%	4.76%	8.82%	2.12%*
Return on Capital Employed (%)(9)	12.16%	10.45%	14.18%	3.26%*

** On an unannualized basis.*

Notes:

(1) Order Book is calculated as expected revenues from uncompleted portions of contracts.

(2) *Order Book Intake is calculated as actual order intake year-on-year.*
(3) *Profit after tax margin is calculated as profit after tax divided by revenue from operations.*
(4) *EBITDA is calculated as profit before exceptional items and tax plus depreciation and amortization expense plus interest expense less other income.*
(5) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
(6) *Net Debt is defined as debt less cash and cash equivalents. Debt is defined as non-current and current borrowings (excluding derivative and financial guarantee contracts), and includes interest accrued thereon and lease liabilities.*
(7) *Net Debt to Equity is calculated as net debt divided by total equity.*
(8) *Return on Equity is calculated as is calculated as profit after tax divided by average shareholder's equity.*
(9) *Return on Capital Employed is calculated as earnings before exceptional items, interest and taxes divided by (tangible net worth (Net worth less intangible asset less goodwill) +total debt (non-current borrowing plus current borrowing plus interest accrued but not due on borrowings) + deferred tax liability).*

Industry Outlook

India stands out as the fastest-growing economy among the major economies with real gross domestic product of ₹ 160.06 trillion in Fiscal 2023 and estimated to emerge as the third-largest economy globally by 2027. The infrastructure sector continues to play a major role with 3.50% of gross domestic product contribution with ₹ 52,962.00 billion investments in the infrastructure industry between Fiscal 2024 to Fiscal 2028. There is a growing organic demand for power, along with significant opportunities emerging in solar energy, wind power, and green hydrogen sectors. The investments in the power generation segment are expected to remain high during Fiscal 2024 and Fiscal 2028, with estimated investments of ₹ 14.4 trillion. The solar and wind combined will attract an investment of around ₹ 10.9 trillion, accounting for 76% of total future investments. With sustained investments in the renewable sector, it is becoming more conducive for EPC players. There is a growing focus on technology-enabled power quality improvement in the energy sector, driven by the need for more efficient, reliable, and sustainable power systems. This shift presents several key opportunities for high voltage, digital substations (a modern version of traditional electrical substations that uses digital technology to monitor, control, and manage power distribution equipment), STATCOM (a device that helps regulate voltage and improves the stability of power grids) and HVDC (a system that transmits electricity over long distances). There are total of 742 transmission and distribution projects under planning stage split across India amounting to ₹ 816.83 billion. *(Source: CARE Report)*

In the Union Budget 2024-2025, the government has allocated ₹ 2.7 trillion towards railways. Government initiatives like Mission Raftaar, the Bharat Viksit Railway Program, and the PM-Gati Shakti National Master Plan are key to reshaping India's railway network. These programs aim to enhance speed, capacity, safety, and connectivity across critical corridors, leading to opportunities in Speed Upgradation, Train Collision Avoidance System under KAVACH and Automatic Block Signalling, addressing the growing needs of passengers and freight logistics. Efforts in electrification, the development of Dedicated Freight Corridors, and the implementation of advanced technologies like the Kavach automated train protection system reflect a commitment to sustainability and improved operational efficiency. The government is also prioritizing areas such as overhead electrification, track laying, signaling and telecommunication, and tunnel ventilation.*(Source: CARE Report)*

The Indian government heavily prioritizes infrastructure development. Government-led initiatives such as 'Make in India,' 'Smart Cities Mission,' and 'Atmanirbhar Bharat' focus on infrastructure development, attracting investments, and promoting economic growth. The government has also helped the growth of urbanization through several schemes and projects, including the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and the Pradhan Mantri Awas Yojana (Urban). Such constant government support is likely to foster more investment in the infrastructural domain in the coming years. India's rapid urbanization fuels demand for new housing, commercial spaces, and improved urban infrastructure like metro networks, waste management systems, and power grids. Further, the construction sector is expected to grow from ₹ 3,922 billion in Fiscal 2023 to ₹ 5,619 billion in Fiscal 2028 at a CAGR of 7.5%. The industry is expected to be driven by increased government spending and increase in residential real estate with growing population of India. *(Source: CARE Report)*

India is expected to see significant investment in oil and gas pipeline infrastructure, with over more than ₹ 400,000 million over the next 5 years. The government aims to achieve the target of 34,000 kms of natural gas pipelines with a focus on improving connectivity to remote regions, boosting domestic production, and reducing reliance on imports. (Source: CARE Report)

The global wire and cables market was valued at US$ 221.03 billion in 2023 and is expected to reach US$ 311.22 billion by 2028, growing at a CAGR of 7.1% during this period. The Indian wire and cables market was valued at US$ 17.70 billion in 2023 and is expected to reach US$ 27.80 billion by 2028, growing at a CAGR of 9.5% during this period, primarily driven by government infrastructure investments, green energy initiatives, and rising demand in real estate and industrial sectors. *(Source: CARE Report)*

OUR STRENGTHS

Well Diversified across Businesses

We are a global EPC major focused on providing integrated turnkey solutions. *(Source: CARE Report)* Our EPC offerings are broadly divided into transmission and distribution, buildings – residential and commercial, factories, water, datacenter, railways, urban infrastructure, renewables, and oil & gas. We also manufacture cables and transmission towers.

Within our T&D business, our integrated turnkey solutions include setting up of transmission lines and large size substations, (air, gas and hybrid substations), underground cabling, and technology intensive segments such as digital substations and high voltage direct current ("**HVDC**") converters. We have a diversified customer base that includes government agencies, public sector undertaking, state utilities, private developers and power producers.

In the buildings and public spaces category, our portfolio covers high-rise residential and commercial buildings, airport terminals, hospitals, government housing and institutional projects. We are also executing composite construction projects, using precast technology. In the industrials sector, we are building factories across cement, metals, minerals, chemicals, auto ancillaries, and fast moving consumer goods segments. We have also developed offerings in constructing data centres. We are executing projects under the Jal Jeevan Mission initiative of the Government of India under which we are constructing water pipelines, elevated storage reservoirs, and water treatment plants.

In the railways business, we have offerings across OHE, doubling and tripling of tracks and new railway lines, civil infrastructure works such as road over bridge, bridges, tunnels, stations, and platforms, and establishing signaling and telecommunication systems, traction substations, and tunnel ventilation. We are also executing projects in the technology intensive fields of TCAS and ABS.

In the urban infrastructure sector, we execute EPC projects in metro viaducts, stations, depots, and workshops. We also undertake ballastless track ("**BLT**") projects, OHE electrification, power supply stations, and supervisory control and data acquisition ("**SCADA**") works.

Our oil and gas business constructs cross-country pipelines and stations and executes composite works in refineries. We are also executing an iron ore slurry pipeline project for an iron and steel player in India.

We manufacture cables and offer turnkey cabling solutions across India and international markets. Our product portfolio includes power cables, railway cables and conductors, control and instrumentation cables, telecom cables and special cables such as solar, mining, hybrid, flat submersible, EV charging, green, cathodic protection, concentric cables and others. We also supply transmission towers, poles, hardware and fittings, structures for substation, railways, and solar, shutters, formwork and scaffolding.

Diversification in the infrastructure business is crucial for mitigating risks and ensuring steady growth. Our strategy of diversifying our offerings has helped us to protect against market volatility and economic downturns, as a diverse portfolio is less likely to be affected uniformly by adverse events. Additionally, diversification has allowed us to capitalize on different growth rates across sectors and regions, which has led to more opportunities for expansion and profitability. It has also enabled the leveraging of expertise and resources across projects, leading to operational efficiencies and innovation. This has resulted in a more resilient business model that supports long-term sustainability and success.

Diversified Geographical Footprint

Our diversified footprint spans across six continents, which includes EPC projects and supply of towers and cables. We have a diversified Order Book of ₹ 32,714.75 crore across our SBUs out of which 25.52% was from international customers as of June 30, 2024. We have eight manufacturing facilities across India, Dubai, Brazil and Mexico with cumulative capacity of approximately 434,000 MT per annum for transmission towers, poles, hardware and fittings, structures for substation, railways, and solar, shutters, formwork and scaffolding. Our robust presence extends across South Asia, the Middle East, East Asia Pacific, CIS, Africa, Oceania, and the Americas. We also offer turnkey cabling solution across India and international markets.

Our tower manufacturing business boasts of global clientele including within the Americas, Europe, Australia, Middle East and Africa. Our manufacturing facility in Dubai, UAE caters to the demand in the Middle East. SAE Tower, our wholly-owned Subsidiary in the Americas, manufactures a wide range of products, including steel lattice transmission towers, poles, structures for substation, hardware and fittings.

The table below sets forth details of our revenue generated from our SBUs for India and international markets and other operating revenue for Fiscal 2022, 2023 and 2024:

Business	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount (₹ crore)	Percentage of Revenue from Operations (%)	Amount (₹ crore)	Percentage of Revenue from Operations (%)	Amount (₹ crore)	Percentage of Revenue from Operations (%)
T&D	6,721.60	48.91	8,557.77	49.52	10,322.79	51.84
- India	2,496.50	18.17	2,362.77	13.67	3,382.77	16.99
- International	4,225.10	30.75	6,195.00	35.85	6,940.02	34.85
Civil	1,887.67	13.74	3,303.25	19.11	4,266.71	21.43
- India	1,887.67	13.74	3,303.25	19.11	4,266.71	21.43
- International	-	-	-	-	-	-
Railways	3,803.19	27.68	3,660.38	21.18	3,058.09	15.36
- India	3,803.19	27.68	3,660.38	21.18	3,058.09	15.36
- International	-	-	-	-	-	-
Smart Infra(1)	51.26	0.37	-	-	-	-
- India	51.26	0.37	-	-	-	-
- International	-	-	-	-	-	-
Oil and Gas	175.49	1.28	338.42	1.96	345.59	1.74
- India	175.49	1.28	338.42	1.96	345.59	1.74
- International	-	-	-	-	-	-
Cables	859.07	6.25	1,132.24	6.55	1,191.86	5.98
- India	744.74	5.42	1,009.05	5.84	1,030.90	5.18
- International	114.33	0.83	123.19	0.71	160.96	0.81
Renewables(2)	15.51	0.11	4.74	0.03	410.30	2.06
- India	15.50	0.11	4.74	0.03	410.30	2.06
- International	0.01	0.00	-	-	-	-
Other Operating Revenue	228.47	1.66	284.91	1.65	318.83	1.60
Total	**13,742.26**	**100.00**	**17,281.71**	**100.00**	**19,914.17**	**100.00**
- **India**	**9,402.82**	**68.42**	**10,963.52**	**63.44**	**12,813.19**	**64.34**
- **International**	**4,339.44**	**31.58**	**6,318.19**	**36.56**	**7,100.98**	**35.66**

Note:

1. *Revenue from operations from Smart Infra starting from Fiscal 2023 and 2024 is recognized under the Railways SBU.*
2. *During Fiscal 2022, 2023 and 2024, revenue from renewables in financial statements was referred as Solar SBU.*

Ability to Execute Complex Projects in Difficult Terrains, Climates and Politically Volatile Regions

Our strong project management and execution capabilities have enabled us to successfully execute projects in extreme climatic conditions, difficult topographies, hostile terrains and volatile countries / regions.

Our projects span across raging rivers such as the Nile in Egypt, Ganges in India, Padma in Bangladesh, mountains in the Himalayas, as well as the snowfields of Georgia and Afghanistan. We have built substations at Kargil-Drass-Khalsti-Leh under sub-zero temperatures at high altitude. We have successfully executed projects in the remote geographies, hilly terrains, and harsh weather conditions in Northeast India, tribal belts of Africa, landslide prone regions and dense biological corridors of Bhutan. We have delivered projects in the vast deserts of Rajasthan, Middle East, and West Africa that are subject to frequent sandstorms and moving sand dunes. We have executed pipeline and underground cabling works involving significant rock excavations and drilling under rivers. We are executing elevated metro projects in urban landscapes, intersecting heavily congested roads, in proximity to both residential and commercial zones.

We have also undertaken projects in politically unstable regions such as Iraq and Afghanistan. The projects were executed in security sensitive and geo-politically challenging areas. Frequent insurgencies and closure of customs and borders posed serious challenges from time to time.

Geographically well-spread Manufacturing Capabilities

Our strategically located manufacturing facilities, spread across key local markets, provide us significant competitive advantage. Our operations are backward integrated into manufacturing of supplies to enhance supply chain reliability, improve quality, and drive cost advantage in the market.

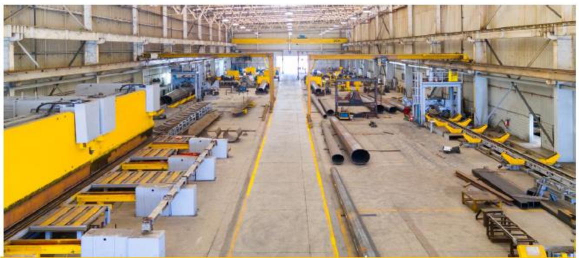
In the T&D business, we manufacture transmission towers, monopoles, substation structures, hardware and fittings, all of which comprise a significant portion of the overall project costs. We are also establishing capacity for manufacturing aluminum power conductors, which will further enhance our backward integration and control over most of the supplies for a transmission line project. The diverse portfolio of aluminium conductors, including ACSR, Al-59, AAAC and ACSS will enable us to cater to varied sector requirements and drive significant growth in cables, power and T&D businesses. Additionally, our tower manufacturing factories are geographically well spread across India, UAE, Brazil and Mexico providing us competitive advantage in the respective regional markets.

For our railways business, we manufacture railway cables, railway conductors, signaling cables, contact wires, feeder, jumper, and dropper wires, catenary and contact conductors, quad cables and overhead electrification structures in our manufacturing facilities for transmission and distribution structures. With our backward integration capabilities, we have not only gained greater control over our supply chain, but also enhanced our operational efficiency. Furthermore, to meet the demands of our growing civil business, we have started manufacturing shutters, formworks and scaffoldings. We also manufacture structures for mounting solar cells for ground mounted solar power projects.

In the cables business, we have two integrated manufacturing facilities at Vadodara, Gujarat and Mysuru, Karnataka. We have also set up a PVC compound manufacturing facility in Fiscal 2024, leading to lower costs, better quality, and improved supply chain control. Being a strategic enabler for our other businesses, this move has enabled us to improve the performance of the cables business, and simultaneously, enhance competitiveness of other businesses.

Our manufacturing portfolio not only helps in improving our competitiveness in the various EPC businesses, we undertake, but allows direct sale of these products to the customers thereby diversifying our revenues between EPC and product sales revenues. Our margins and cash conversion cycle in the product sales business are more stable than those in our EPC business.


Brazil - Tower/ Hardware Manufacturing


Mexico - Tower/ Poles Manufacturing


CABLES MANUFACTURING FACILITY AT MYSURU, KARNATAKA


CABLES MANUFACTURING FACILITY AT VADODARA, GUJARAT


OFC LINE AT MYSURU FACILITY, KARNATAKA

Deep Design and Engineering Capabilities

With over six decades of experience in undertaking EPC projects, we have developed in-house competencies to design transmission lines including towers, hybrid poles and monopoles and designing substations and renewable power projects equipped with latest design, detailing and profiling software. We have comprehensive knowledge bank of designs for transmission line towers, poles and substations.

Further, we have in-house design centers with over 400 engineers across eight centers in India, the Middle East and the Americas, as of June 30, 2024. Our engineering team leverages the use of latest design, detailing and profiling software to provide customized engineering and design solutions to our customers as per their requirement. We have adopted advanced survey methods such as light detection and ranging ("**LIDAR**"), drones, photogrammetry to ensure precise data collection. We have developed expertise in Building Information Modelling ("**BIM**") for improved efficiency and optimized cycle time in engineering.

Over the years, we have expanded our civil and railway engineering teams and developed capabilities in designing metro rail viaducts and stations, water supply networks, residential and commercial buildings and industrial factories amongst others.

Our world-class engineering and design capabilities enable us to deliver complex projects within tight timelines and budgets. We harness technology and software to deliver innovative solutions that exceed customers' expectations.

Focus on Sustainability Across our Operations

In line with our purpose, '*We transform lives by building sustainable world class infrastructure*', each of our businesses is focussed on promoting sustainable development through efficient and effective use of all forms of six integrated reporting capitals.

In the T&D business, we are building transmission lines and substations specifically designed to efficiently evacuate clean and reliable renewable energy. Further, power transmission lines ensure energy transportation in an effective and efficient manner with minimal carbon footprint. In the civil business, we are laying cross-country water pipelines to provide clean water to households. We are constructing municipal waste to energy conversion plants, flue gas desulphurisation units and other such structures that are environmentally conscious. Similarly in railways business, we are contributing towards preservation of fossil fuels through electrification of Indian Railways. We are working on enhancing safety of Indian Railways through implementation of world-class technologies. In the urban infrastructure business, we are delivering effective urban commuting solutions that contributes towards reducing pollution and minimize carbon footprint. In the oil and gas business, we are helping transport gas, crude oil, and petroleum products in an energy-efficient and environment-friendly manner. We are also constructing large solar-based power generation plants, which have one of the lowest lifecycle emissions. In our cables business, we are working on reducing transmission losses through energy-efficient cable designs and developing new products such as green cables, compliant with Restriction of Hazardous Substances and Registration, Evaluation, Authorisation and Restriction of Chemicals regulations.

We focus on incorporating sustainability in our operations, which is evident by the significant improvement in our ESG Ratings by both S&P Global DJSI and Morningstar Sustainalytics. We were ranked first in India amongst the companies in the engineering and construction sector by both S&P Global DJSI and Morningstar Sustainalytics.

The concept of sustainability is engrained in the core ethos of our operations. Over the years, we have adopted various sustainable practices which have enabled us to outperform. Certain of our ESG initiatives include investment in solar rooftop plants to fulfil our energy requirements through renewable sources; investment in energy efficient solutions for manufacturing of tower structures as well as cables; adopting new corporate governance policies and development of an in-house application for ESG data management across our factory sites. We have also established zero-based material consumption guidelines that minimize raw material usage and waste generation across our manufacturing plants and project sites. Once materials have served their initial purpose, we ensure they are repurposed or recycled rather than disposed of in landfills, keeping them within the supply chain and reducing overall waste.

Further, we are taking proactive measures to manage our water footprint, to reduce consumption and enhance water conservation. These efforts include comprehensive water mapping in our manufacturing facilities to target high-consumption areas and ensure efficient water use. All our manufacturing plants operate on a zero-discharge principle, recycling effluents and domestic wastewater through advanced treatment facilities. We have received certifications such as the water positive plant for our T&D and cable manufacturing facilities in Butibori, Maharashtra, Jabalpur, Madhya Pradesh and Vadodara, Gujarat.

Marquee Parentage with Experienced Management Team

We are part of the RPG Group, which is among the large conglomerates in India and operates various businesses across infrastructure, technology, life sciences, plantation and tyre industry. Other companies within the RPG Group include CEAT, one of India's leading tyre manufacturers; Zensar, a global technology consulting and IT services company; RPG Life Sciences, an integrated pharma company in formulations and synthetic APIs; Raychem, a technology solutions company catering to energy and infrastructure sectors and Harrisons Malayalam Limited, one of India's largest plantation companies producing tea and rubber amongst others.

Our Board of Directors, include H.V. Goenka, our Chairman and Non-Executive Director, Vimal Kejriwal, our Managing Director and CEO and Vinayak Chatterjee, our non-executive and non-independent director. Further, as a testament of our strong corporate governance practices, our Board is majorly constituted with 7 independent directors out of 10 board members currently. Our independent directors include Arvind Singh, M.S. Unnikrishnan, Neera Saggi, Nirupama Rao, Shirish Sankhe, Vikram Gandhi, and Vimal Bhandari.

Further, we have a strong management team, led by Vimal Kejriwal, our Managing Director and CEO and includes Rajeev Aggarwal, our CFO, Milind Apte, our Chief Human Resources Officer, Anand Kulkarni, Executive Director – Business Operations, Neeraj Nanda, President – Emerging Business, Ganesh Srinivasan, President – Transmission and Distribution, Nagesh Veeturi, Executive Director – Civil, Kaushal Kodesia, Executive Director – Railways, Manjit Singh Sethi – Executive Director, Cables, Mayank Agrawal, Chief Executive – Oil and Gas Pipelines.

STRATEGIES

De-risking Through Diversification

We continue to demonstrate our strength in the T&D business, consolidate our position in railways and expand our presence in the civil, oil and gas, cables, renewables and other business, thereby significantly de-risking our overall portfolio. In line with our strategy of promoting growth through sectoral and geographical diversification, our portfolio has transformed over the years from a majority focus on T&D business to a 51.84% share of our revenues in Fiscal 2024 through growth in non-T&D businesses such as civil, railways, cables, renewables, oil & gas. For example, we have witnessed significant growth in our civil business, revenues from which have increased from 13.74% of our revenue from operations in Fiscal 2022 to 21.43% of our revenue from operations in Fiscal 2024.

Our civil business is expanding into new categories such as hospital, FMCG facilities, pre-cast buildings, government buildings, airport and refineries amongst others. In the Railways business, we are expanding offerings in KAVACH (TCAS), ABS and tunnel ventilation segments. As part of our urban infrastructure business, we have also ventured into BLT, OHE and third rail projects. In the oil and gas business, we are diversifying from pipelines to storage tanks, mechanical and piping works for refineries. Our recent foray in the renewables business is expanding offerings in solar and other adjacent businesses.

Our T&D business has diversified international presence across Africa, Middle East, CIS, SAARC and other parts of the world. With support from our T&D team we are focusing on international expansion of our civil, railways, oil and gas and renewables businesses in the Indian subcontinent and in Africa and Middle East. Our manufacturing business is targeting customers in European and Australian markets for tower supplies.

As a part of diversification and risk mitigation strategy, going forward, we intend to remain focused on improving diversity in our business, both business-wise and geographically.

Focus on Technology Intensive, Niche Projects

In recent years, we have strategically pivoted towards technology intensive business. We are expanding our offerings in T&D to digital substations and HVDC converters. In metro rail and regional rapid transport system ("**RRTS**"), we are executing projects in advanced technological domains such as power supply systems, electrification (including OHE and third rail systems), and BLT. In the railways business, we are developing offerings in technology enabled segments such as KAVACH (TCAS), ABS and tunnel ventilation segments. Our civil business is moving up the value chain by executing EPC led complex industrial projects and developing expertise in installing heavy electromechanical equipment and systems. In buildings, we are diversifying our portfolio from conventional core and shell construction to pre-cast composite buildings construction and high-rise structures. We are developing mechanical, electrical and plumbing capabilities tailored to the data centre business enabling us to execute comprehensive data centre packages.

As we move forward, we intend to continue to focus on deepening our presence in emerging technology focussed and technically complex, niche projects, enabling us to stay ahead in a rapidly evolving market landscape.

Emphasis on Execution Excellence - Timely delivery and High Standards of Quality and Safety

We are adopting new age technologies and embracing agile working methods, to achieve execution excellence and enhanced customers satisfaction levels. We are focussed on enhancing execution processes and implementing automation, mechanisation, and digitalisation initiatives, resulting in faster or ahead-of-schedule project completions. The integration of digital tools such as BIM, LIDAR, drone-based surveys, and ground penetrating radar for utilities identification, document management systems, artificial intelligence-driven business development, asset tracking and management systems, concrete management systems, and fuel monitoring systems for mobile assets demonstrates our commitment to leveraging advanced technologies to bolster our project planning and monitoring capabilities. We have deployed technological solutions such as connected Internet of Things for remote quality inspection and freight-optimisation digital tool to reduce dead freight and optimise logistic cost. Emphasising our forward-thinking approach and commitment to continuous improvement, we continuously undertake various transformation programmes across our businesses. These initiatives are helping us achieve project and process excellence by developing comprehensive execution and project management practices. To further develop and strengthen our processes, we have project transformation teams across the businesses.

Going forward, we intend to remain focused on adopting cutting-edge technologies and fostering execution excellence. In our experience, these initiatives enhance our value proposition and position us at the forefront of technological advancements in the construction industry.

Focus On Building a World-Class Engineering Organization

With over seven decades of experience in executing large-scale EPC projects, we have built extensive in-house capabilities in designing complex transmission lines and substations, encompassing structures such as towers, hybrid poles, and monopoles. As we expand into new sectors like civil infrastructure, railways, and oil and gas, we are enhancing our expertise in designing metro rail viaducts and stations, extensive pipeline networks, high-rise buildings, factories, data centers, and solar power plants for a broad range of clients across diverse geographies.

Our focus is on building a world-class engineering organization, primed for the future, with cutting-edge processes to elevate design capabilities across all business units. We plan to drive improvements in quality through first-time-right designs, employing design-to-value methodologies to optimize project costs, and drastically reducing design cycle times. By leveraging advanced technologies such as robotic process automation, artificial intelligence, and advanced data analytics, we intend to transform our design processes to be more efficient, adaptive, and value-driven, ensuring our readiness for the demands of tomorrow's infrastructure landscape.

Continue to Maintain an Asset Light Business Model

Historically, we have undertaken EPC or construction projects in infrastructure space and avoided bidding as a developer under public-private partnership arrangements. This allows us to have a better visibility of cash flows and keep our balance sheet relatively stable and risk-free. We intend to maintain the similar model in future and focus on becoming the preferred EPC or construction partner in the industry.

Grow Operations Inorganically Through Strategic Acquisitions

We will continue to focus on increasing our capabilities through inorganic means by undertaking strategic acquisitions. We have in the past undertaken strategic acquisition to complement our offerings and further grow our business. For example, in Fiscal 2021 we acquired a transmission tower manufacturing facility in Dubai. Prior to such acquisition, our Middle East orders were undertaken through our Indian facilities and accordingly the acquisition helped us to have a local presence which expanded our order book and attracted new customers. Further, in Fiscal 2022, we acquired Spur Infrastructure Private Limited, an Indian EPC company engaged in installing cross-country oil and gas pipelines and city gas distribution networks to increase our presence in the oil and gas pipeline sector.

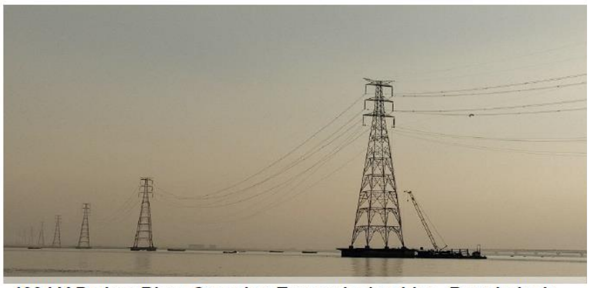
Going forward, we plan to evaluate acquisition opportunities that align with or complement our existing offerings. Through these strategic initiatives, we intend to stay at the forefront of innovation while broadening our scope in critical infrastructure sectors.

Business Operations

We commenced our operations as an electric power transmission company in India and since our inception in 1945, we have expanded our operations, both domestically and overseas into multiple businesses across six continents.

Our business includes Transmission and Distribution, Civil, Urban Infrastructure, Railways, Oil and Gas Pipelines, Cables and Renewables.

Transmission and Distribution



400 kV Padma River Crossing Transmission Line, Bangladesh

132 kV Air Insulated Substation, Papua New Guinea

Our T&D business constituted 51.84% of our revenue from operations in Fiscal 2024 and 51.32% of our total order book, with projects spanning transmission lines, substations, and underground cabling as of June 30, 2024. Our in-depth knowledge of the local markets worldwide, combined with our capabilities in surveying, design and engineering, manufacturing, execution and project management, along with our team of highly experienced professionals, allows us to consistently deliver outstanding performance year after year. During Fiscal 2024, revenue from operations from T&D was ₹ 10,322.79 crore compared to ₹ 8,557.77 crore in Fiscal 2023 which reflected a year-on-year increase of 20.62%. During the three months ended June 30, 2024, revenue from operations from T&D business was ₹ 2,499.28 crore compared to ₹ 2,188.13 crore in the three months ended June 30, 2023 and secured orders across diverse regions amounting to ₹ 4,942.90 crore. With an order book of ₹ 16,789.35 crore in the T&D business, as of June 30 2024, we are well-positioned for continued growth, driven by the rising demand for renewable energy and large-scale transmission infrastructure.

In India, the T&D business achieved revenues of ₹ 3,382.77 crore in Fiscal 2024 compared to ₹ 2,362.77 crore in Fiscal 2023, delivering a growth of 43.17% over Fiscal 2023. In Fiscal 2024, the India T&D business secured orders of over ₹ 5,920.36 crore, reflecting growth of 39.46% compared to Fiscal 2023. This increase was supported by projects from public sector undertakings, state utilities, private developers, and power producers. In our international T&D business, we achieved revenues of ₹ 6,940.02 crore in Fiscal 2024, compared to ₹ 6,195.00 crore in Fiscal 2023 delivering a growth of 12.03%. We have enhanced our manufacturing capacity to 60,000 MT in Dubai to cater to the increasing demand in the Middle East transmission market. SAE Towers, our subsidiary in the Americas, achieved a positive turnaround with revenues of ₹ 1,405.30 crore in Fiscal 2024, representing a year-on-year growth of 10.37% compared to Fiscal 2023. SAE Towers, manufactures a wide range of products, including transmission towers and poles, substation structures, hardware and fittings.

We remain focused on enhancing execution processes through digitalisation, automation, and building a world-class engineering organization to optimize project delivery and cost efficiency. Our success is underpinned by strong design and engineering capabilities, effective project management, a comprehensive global supply chain, strategically located manufacturing facilities, and strategic partnerships with OEMs and global stakeholders.

We operate multiple in-house design centres with over 400 engineers spread across eight locations in India, the Middle East and the Americas. We have developed a library of transmission line designs, which includes towers, hybrid poles and monopoles. We have also developed expertise in designing various types of substations (such as air insulated substations, gas insulated substations and hybrid substations which is a combination of air and gas insulated substations) and underground cabling solutions. To support our design and engineering capabilities, we are equipped with the latest software for design, detailing and profiling.

In terms of manufacturing, we have a capacity of approximately 434,000 MT per annum covering a wide range of products, including transmission towers, poles, hardware and fittings, structures for sub-stations, railways, and solar, shutters, formwork and scaffolding. We operate six tower manufacturing plants globally, with three located in India, and one each in Dubai, Mexico and Brazil.

We are also distinguished in the field of tower testing, with four tower testing stations – three in India and one in Brazil. These facilities offer complete testing solutions for all types of transmission towers, including lattice and guyed towers, tubular towers and monopoles.

Civil

Beneficiation Plant at Dariba, Rajasthan

Construction of luxury residential project in Goa

Kochi Metro Rail project, Kerala

In Fiscal 2024, revenue from operations generated from our Civil business was ₹ 4,266.71 crore compared to ₹ 3,303.25 crore reflecting a year-on-year growth of 29.17%. Further, during the three months ended June 30, 2024 revenue from operations from our Civil business was ₹ 1,058.55 crore compared to ₹ 954.57 crore in the three months ended June 30, 2023, highlighting our dedication to delivering quality projects efficiently. We also secured ₹ 1,002.37 crore in new orders from various sectors in our Civil business, reflecting our strong reputation as a reliable partner in the construction industry.

Details of the sub-categories to our Civil business are set forth below:

Buildings and Public Spaces: We have expanded our portfolio significantly in our buildings and public spaces segment to residential and commercial towers, airport terminals, government housing, and institutional projects. This growth has strengthened our foothold in key real estate markets such as Mumbai, Pune, Bengaluru, and Gurugram. Moving up the value chain, we have started taking lock and key residential project and adopted precast technology in residential construction for pre cast columns, beams, and slabs that reduce construction time on site and improve quality. We are executing a turnkey airport project in Tuticorin that includes the scope of terminal building, ATC tower, electric substation, HVAC, building management system, plumbing, firefighting, elevators and escalators, IT systems, PA system, access control and signages. We expanded our presence in public spaces with High Court and MLA quarter project in Srinagar and Odisha respectively. Further, we expanded into healthcare sector with inaugural multi-speciality hospital project in East India.

Industrial: We continue to secure orders from customers in our industrial business, demonstrating the trust we have built with key players in the cement, metals and minerals, auto and auto ancillaries, and chemicals industries. We continue to diversify our presence across sectors through projects in new areas such as FMCG and paints, underscoring our expertise in executing complex, EPC-led industrial projects. We have also developed significant capabilities in installing heavy electro-mechanical equipment and systems, securing substantial contracts for the construction of critical process plants, which reinforces our position in handling complex industrial turnkey projects.

Water: We are actively contributing to India's Jal Jeevan Mission, working on water transmission and distribution pipeline projects under which we are constructing water pipelines, elevated storage reservoirs, and water treatment plants.

Data Centres: Our data centres business is also experiencing robust growth, expanding our portfolio to five projects and increasing total capacity of under execution / executed projects. We are further expanding our capabilities in data centres by undertaking mechanical, electrical, and plumbing works along with power back-up systems.

Railways

Third Line between Mathura, Uttar Pradesh & Dholpur, Rajasthan

Hubli - Tinaighat Railway Electrification project, Karnataka

Duhai Depot, Delhi-Meerut RRTS project

Our railway business includes the construction of OHE, track doubling and tripling, new railway lines, civil infrastructure works (like bridges, tunnels, and stations), signalling and telecommunication systems, and tunnel ventilation segments.

Through our OHE projects, we continue to contribute significantly to the Indian Railways' 100% Electrification mission. Our first tunnel ventilation project for the Dharam-Qazigund railway line in Jammu and Kashmir was also successfully commissioned and three Railway Over Bridges ("**ROBs**") for the Nagpur–Amla project were completed in Fiscal 2024.

In addition, we are also actively engaged in implementing technologies such as ABS, KAVACH, and 2 x 25 kV OHE works that will improve safety, capacity and speed of the railways
We are currently delivering two TCAS (KAVACH) projects under the Deen Dayal Upadhyay section of North Central Railway. We are working with Indian Railways and technology providers to ensure successful implementation of TCAS on the project.

We are presently working on ABS implementation for Indian railways. Indian Railways is in process of upgrading the existing signaling system to ABS that will increase the railway capacity, reduce operation cost and human errors.

We have also extended our expertise in OHE in railways to 2x25 kV upgradation that will enable faster train operation across the railway network for trains such as Vande Bharat, Rajdhani and Duronto.

We are also expanding our capabilities to align with technological advancements in the railways sector. We have entered the international market with a significant signalling and telecommunication project in Bangladesh and are exploring opportunities in the Middle East and Africa by leveraging our international footprint and forming strategic partnerships.

During Fiscal 2024 our revenue from operations from Railways business was ₹ 3,058.09 crore while during the three months ended June 30, 2024 revenue from operations from our Railways business was ₹ 471.44 crore. Our Railways business secured orders of ₹ 522.36 crore during the three months ended June 30, 2024.

Urban Infrastructure


STATION AND CIVIL WORK, CHENNAI METRO, INDIA


SAHIBABAD STATION, INDIA'S FIRST RRTS PROJECT


DOUBLE DECKER VIADUCT (METRO & ROAD), DELHI METRO, INDIA

We have established a footprint in the urban infrastructure which focusses on EPC for viaducts, stations, depots, track works – ballasted and ballastless, and electrification and power supply systems for metro rail and regional rapid transit systems. We have delivered and are in the process of delivering projects in Delhi, Kochi, Chennai, Delhi Meerut Rapid Rail, Bhopal, Ahmedabad, and Mumbai.

We are engaged in projects encompassing viaduct, metro stations in high density urban areas, and large depots and workshops. Further, we are also executing metro track laying work, OHE electrification, power supply stations, SCADA works amongst others. Business has also undertaken construction of double decker viaduct with metro on upper tier and 4-lane road on lower tier for Delhi metro. We installed a special steel across active rail line for rapid rail project in Delhi that entailed extensive coordination with the Indian Railways to minimize disruption to railway services. These projects stand as a testament to our engineering capabilities.

Safety is of utmost importance on our construction site that has been acknowledged by achievement of RoSPA gold award for Chennai Metro and certificate of appreciation for achieving 8 million safe man-hours across various metro sites from British Safety Council.

Oil and Gas Pipelines


HDD WORK FOR IRON-ORE SLURRY PIPELINE, ODISHA, INDIA


STATION PIPING WORKS, SULTANPUR JHAJJAR PIPELINE PROJECT, INDIA


KANDLA GORAKHPUR PIPELINE PROJECT, GUJARAT, INDIA

Our Oil and Gas business focusses on providing EPC services for cross-country oil and gas pipelines, sectionalising valve stations, intermediate pigging stations, receiving and despatch terminals, and composite station work projects. The business is also executing iron ore slurry pipelines and water distribution pipelines.

As of June 30, 2024, we are executing over 20 projects in oil and gas pipelines and station development projects, which include constructing cross-country oil and gas pipelines and stations, as well as laying iron ore slurry pipelines for a major steel producer. The business is accelerating completion of key pipeline as well as composite station projects to enhance pre-qualifications to cater to the larger share of the market. Further, the business is continually enhancing its equipment base to build capabilities and improve competitiveness in both domestic and international markets.

During Fiscal 2024, our revenue from operations from Oil and Gas business was ₹ 345.59 crore compared with ₹ 338.42 crore in Fiscal 2023. During three months ended June 30, 2024 our revenue from operations from Oil & Gas business was ₹ 125.87 crore. A key milestone in our oil and gas business was securing our first international project for a gas pipeline in Benin, Africa. Our oil and gas business has also strengthened its composite station work portfolio. We are also planning to expand into new areas, including storage tanks, mechanical and piping works and civil structural works in refineries.

We are dedicated to enhancing our capabilities to meet the evolving demands of the oil and gas industry, focusing on people, processes, and technical skills.

Cables

The Cables business specialises in manufacturing power cables, control and instrumentation cables, railway contact, catenary conductors, signalling & quad cables, telecom cables and special cables for wide range of applications. Our cables are offered under the brand name of "Asian Cables" in India as well as across many countries in the world.

We have two integrated manufacturing facilities, located in Vadodara, Gujarat and Mysuru, Karnataka. Our cable manufacturing operations are accredited with ISO 9001 for quality management, ISO 14001 for environmental management, and OHSAS 18001 for occupational health and safety management, reflecting our commitment to high standards across our manufacturing processes. During Fiscal 2024, our revenue from operations from the Cable business was ₹ 1,191.86 crore compared to ₹ 1,132.24 crore in Fiscal 2023. This surge is attributed to order wins across various market sectors such as industrial, renewables, oil and gas, metros, metals, cement, railways, data centres, and telecommunications. During Fiscal 2024, the business has developed and commercialised seven new products ranging from Green Cables, EV charging cables, LT aerial bunch cables, cathodic protection cables, etc. We are focused on expanding our cable product portfolio to meet the evolving demands of both domestic and export markets. We are focused on securing UL approvals for cable exports to the United States, which is expected to drive additional growth in the future.

To benefit from the growing market and bring a sharper focus to our cables business, we continue to invest capital to enhance our manufacturing capabilities. Last year, we backward integrated into manufacturing of PVC compound and are currently manufacturing various grades of PVC for inhouse consumption, further enhancing our cost competitiveness. Further, we are setting up a new aluminium conductor plant catering to the T&D sector, a strategic move aimed at enhancing our product portfolio and improve control on the supply chain for our T&D business. The business continues to be a strategic partner for our Company's other businesses with a dual focus on improving the performance of cables business as well as enhancing competitiveness of other businesses.

The business is also strategically positioned to capitalise on underground extra high voltage and high-tension cabling opportunities supported by growing demand for modern and smarter cities, as well as reliable power supply infrastructure, especially in areas prone to extreme weather conditions. Further, in order to capitalize on strong performance and tap market opportunity, on July 26, 2024, our Board approved transfer of the cables business of our Company on a going concern basis to our subsidiary, subject to compliance with applicable laws. Further, the Board has also approved formation of a subsidiary company for the purpose of transferring the cable business of our Company.

Cables Manufacturing Facility at Vadodara, Gujarat

Cables manufacturing unit, Mysore, Karnataka

Renewables

150 MWp Ground Mount Solar Project, Rajasthan

20 MW Solar Carport project, Haryana

30 MW Tracker Based Installation, Andhra Pradesh

Our extensive experience in delivering large ground-mounted solar projects, transmission lines, substations, and underground cabling projects across various geographies combined with longstanding relationships with utilities, grants us unique expertise in providing comprehensive concept-to commissioning integrated solutions for green energy generation and evacuation projects. Our in-house manufacturing capacity of module mounting structures and special solar cables, combined with a strong emphasis on accelerated project execution, enable us to deliver exceptional value to our customers. We also have the capabilities to execute large - scale projects of up to 600 MWp, including single axis tracker technology. (*Source: CARE Report*)

In wind energy, we are forming strategic partnerships to seize new opportunities. Expanding into the renewable energy sector, we prioritize large-scale solar PV power plants, onshore wind EPC, and hybrid green energy projects. In the green hydrogen sector, we are actively bidding for projects while building capabilities and relationships with OEMs and technology suppliers. As India pursues its renewable energy goals, we are strategically positioned to contribute significantly. We are also exploring opportunities in international markets like the Middle East, Africa, Latin America, and Southeast Asia, with the Renewables business unit set to play a key role in future growth.

As of June 30, 2024, we have made significant strides in the solar sector. We acquired a 625 MWp solar project in Rajasthan enhancing our order book to ₹ 1,325.17 crore. During Fiscal 2024 our revenue from operations from renewable business increased significantly to ₹ 410.30 crore compared to ₹ 4.74 crore in Fiscal 2023.

Key Ongoing Projects

Certain of our key ongoing projects are set forth below:

S. No.	Description of the Project
1.	400 kV IBRI-New Rustaq Overhead Transmission Line in Oman
2.	500 kV Substation at Shonkagla in Thailand
3.	765 kV Ahmedabad - Navsari Transmission line
4.	765 kV GIS Substation at Narela
5.	Phase II of Dhamra Railway Line Doubling
6.	Ballastless & Ballasted Track Works at Phase II of Ahmedabad Metro
7.	High Rise Residential Towers in Bengaluru
8.	4.6 MTPA Iron Ore Plant at Joda Mines in Odisha
9.	Tuticorin Airport Terminal Building
10.	Elevated Metro Rail Projects in Chennai
11.	Combined Station Works at Vadinar, Gujarat
12.	500 Mw/600 MWp Solar PV Project at Pavagada, Karnataka

With expertise across the entire EPC value chain, we ensure seamless project execution from conception to completion. Our track record of success across diverse global projects is testament to our robust engineering, procurement, execution, and project management capabilities.

Key Completed Projects

- ***400kV Neemuch Chitorgarh D/C Quad Transmission Line***

The project was executed for a power transmission central public sector enterprise, which acquired the project under Tariff Based Competitive Bidding scheme. The scope required construction of 23 foundations, installation of 41 structures, stringing of 26 kilometres transmission cables and 91 kilometres of OPGW works. The project required working in remote sites situated atop steep hills.

- ***High Rise Residential Tower in Pune***

The project for a leading developer in Pune entailed construction of 15 high rise building with 2,964 flats and a total built-up area of 3.78 million square feet. The accelerated completion of the project in Fiscal 2024 led to faster receipt of occupancy certificate by the client.

- ***Data Centre Project, Hyderabad, Telangana***

This greenfield project spread over 30 acres with nine acres of build-up areas included scope of design, engineering, fabrication, supply and construction of data centre with 30 MW electrical installations, HVAC chilled water network, control panels, substations and associated accessories.

The project site was located in high security areas with restriction of movement. Given the supply of water was low in the region due to low water table, the project team improvised to use Autoclaved Aerated Cement blocks instead of cement concrete blocks to reduce water usage with advantage of no curing time. We undertook initiatives during the pandemic to ensure supply of material and manpower along with mechanisation techniques to boost productivity.

- ***Tundla – Gwaria Oil and Gas Product Pipeline Project, Uttar Pradesh***

The project for a leading oil marketing company in India required laying, testing and commissioning of 126 kilometres of 16-inch product pipeline. The project passed through marshy land, locally sensitive areas and agricultural land posing unique technical and stakeholder management challenges. We deployed horizontal direction drilling technique to improve productivity, reduce labour dependency and save costs. The project was completed in Fiscal 2024 as per the customers priorities and satisfaction.

- ***765/400 kV GIS Pooling Station, North Chennai, Tamil Nadu***

The project for leading state utility was spread over 60 acres with scope involving design, engineering, supply and installation of 765/400 kV GIS pooling station including 33 substations bays and associated electrical components, automation systems, and civil work.

Specialised equipment was required to construct large size substation building measuring 18 metres in height and 164 metres in length. Special training for work-at- height was imparted to the workers and safety marshals were deployed to reduce risk associated with working at height.

The project contributed to upcycling of thermal power waste product of fly ash by using the fly ash for ground levelling. Sophisticated machinery such as 360-degree 25 MT swing crane and 16 metre extendable boom lift were deployed to accelerate construction. The project was successfully charged in Fiscal 2024.

Project Bids

The infographic below sets forth the key phases in our bid process for the projects we undertake:

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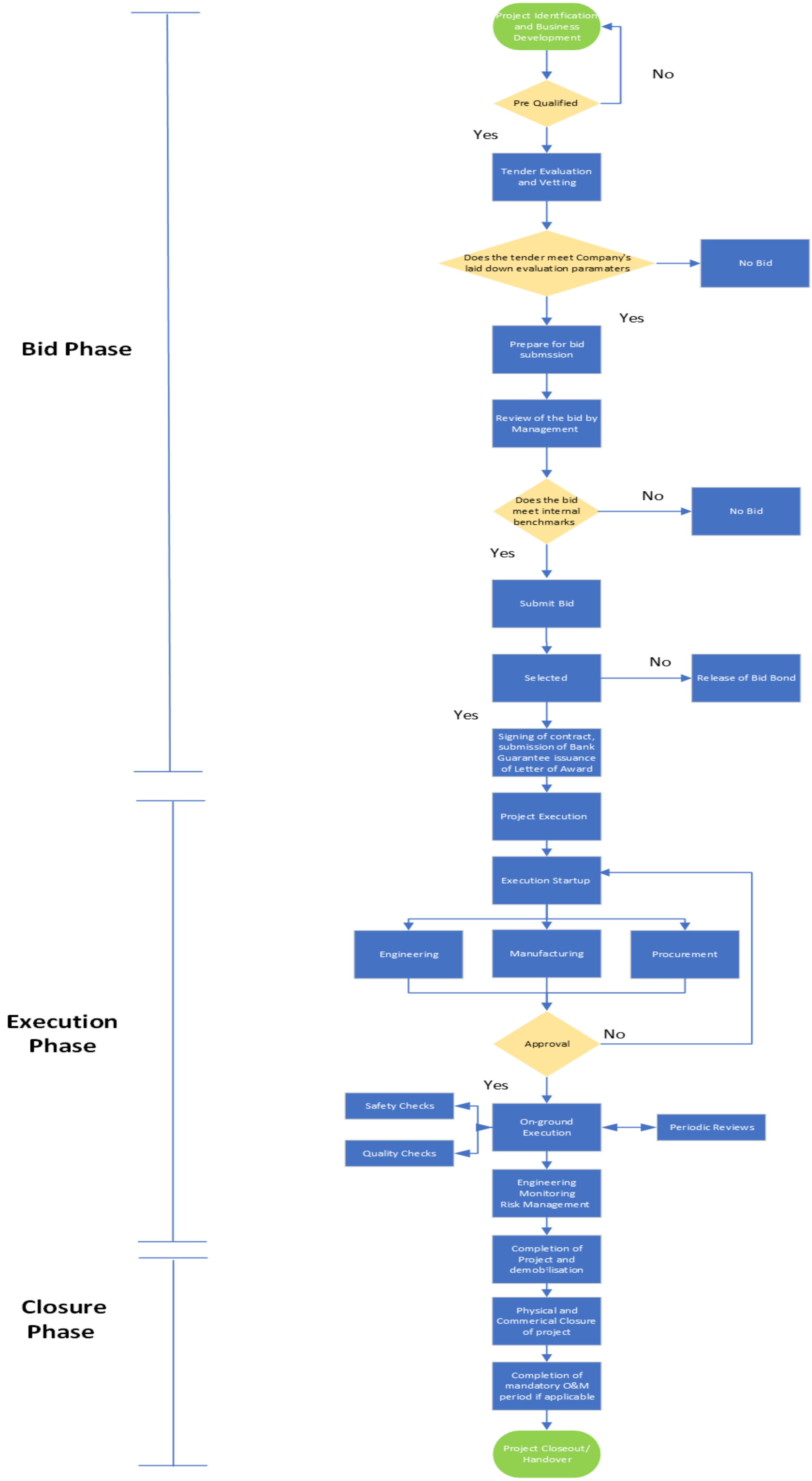
Bid Phase
Execution Phase
Closure Phase
Project Identfication and Business Development
Pre Qualified
No
Yes
Tender Evaluation and Vetting
Does the tender meet Company's laid down evaluation paramaters
No Bid
Yes
Prepare for bid submssion
Review of the bid by Management
Does the bid meet internal benchmarks
No
No Bid
Yes
Submit Bid
Selected
No
Release of Bid Bond
Yes
Signing of contract, submission of Bank Guarantee issuance of Letter of Award
Project Execution
Execution Startup
Engineering
Manufacturing
Procurement
Approval
No
Yes
Safety Checks
Quality Checks
On-ground Execution
Periodic Reviews
Engineering Monitoring Risk Management
Completion of Project and demobilisation
Physical and Commerical Closure of project
Completion of mandatory O&M period if applicable
Project Closeout/ Handover

Project Life Cycle

A typical project life cycle comprises the following phases:

Pre -Qualification

Infrastructure sector clients invite competitive bids as domestic competitive bidding or international competitive bidding. The bid process typically is split in pre-qualification and commercial bidding.

The client invites bidders through Notification Inviting Tenders ("**NIT**"). NITs are published in public domains such as government websites, newspapers. Our business development team keeps track of such notifications. In certain cases, the client may invite bidders directly to participate in the process. The tender team assess if the company meets the pre-qualification criteria. Our Company may meet the pre-qualification criteria on own, else we associate with a partner to form a Joint Venture or consortium to qualify for the project. These joint ventures/consortium agreements are approved by the Managing Director, Chief Financial Officer, Legal and Business heads. Pre-qualification documents consisting of our financial and technical credentials are submitted to the client for evaluation. We have to address any queries that client may have pertaining to our claim for qualification. Our representatives engage with the client to follow up and respond to any queries raised on our claim of qualification. Client may combine the process of pre-qualification and tendering into a single stage that requires submission of technical and financial bid documents in one stage. Private clients are not required to publish the tender in public domain. They may seek competitive quotes from bidders or engage in direct discussions with contractors for the scope of work.

Tender Stage

The tender team reviews the tender documents and present the finding to the business head. The business head gives a "Go-No-Go" decision based on assessment of the tender on parameters such as funding status, contract conditions, payments terms, risk and deliverability. The tendering teams prepares in-depth synopsis to seek approval from the senior management that includes the Managing Director, Chief Financial Officer, Engineering Head and Business Head.

A cross functional team ("**CFT**") is formed that consists of representatives from business development, survey and engineering, execution, procurement, planning, finance, commercial, environmental, health and safety, tax, logistics and liaising. The CFT team provides input as per areas of expertise. As required by the project, we may engage external design consultants for designing and preparation of bill of quantities. The team visits the sites to evaluate conditions that are prevalent on the site to determine construction approach and impact on the project cost. The team collects information on logistics, local availability of material, equipment and labour. Strategies around design, planning, procurement and sub-contracting are discussed and finalised.

The tendering department, after gathering inputs from all departments and conducting site visits, prepares cost estimates for the entire project. This includes creating a bill of quantities with specific construction materials, equipment lists, labour, and subcontracting charges. Indirect costs such as installation and fixed expenses are also estimated. The finance department then calculates related costs such as insurance, interest cost, bank guarantees, GST, and other taxes. Once the total project cost is determined, the head of the relevant business unit reviews it and finalizes the price with the Managing Director. This financial bid, along with any necessary technical details, is then submitted to the project owner. The project owner evaluates the bids based on technical and financial submission to announce the lowest bidder for the project. Letter of Award is issued the lowest bidder subject to contract signing and submission of the performance guarantees as required.

Start-Up Phase

<u>Early Works</u> - The business heads assign the project to a departmental profit centre head ("**PCH**") who is accountable for the project delivery from start to close out. The business appoints a project manager ("**Project Manager**")for execution. The PCH and Project Manager conduct the following start-up phase activities:

- carry out no regrets pre works between L1 declaration and issuance of letter of award;
- Execution team to prepare zero based cost that is independent of the cost prepared by the tender team, flag any deviation in assumptions and cost basis; and
- prepare profitability improvement to conserve bid margins.

<u>Kick off Meeting</u> – A kick off meeting is organised with attendance of business head, profit centre head, project manager and execution team. The project details such as scope, construction philosophy, procurement, margins

are discussed, critiqued and finalised. This stage marks the handover of project from tendering to the execution team.

Pre-Start Budget- The execution team along with the MIS and finance teams prepares as pre-start budget that projects the financial milestones for various stages of the project lifecycle.

Execution Phase

Project Plan - The project team prepares a comprehensive project plan, after accounting for contractual requirements and on ground realities. The plan consists of (i) monthly phasing to achieve to contractual / crashed timelines; (ii) macro planning of sub-contractors / gangs; and (iii) weekly / daily micro planning to guide the execution teams.

Engineering and Design – Design team works on design solution for the project. This entails understanding the standards and specifications mentioned in the contract and designing the solution in compliance to the specifications of the contract. The project team may take support of external design consultants with expertise in the area. Engineering team will work closely with the planning and procurement team to interpret the design, compile bill of quantities, execution methodology and plan execution.

Manufacturing - Project will identify items that are manufactured in-house, for example, cables, towers, steel elements and engage with the manufacturing business for supply of these elements. The equipment are manufactured in compliance of the specifications of the contract.

Progress Monitoring - Project are regularly reviewed for effective management and performance – both physical and commercial. The key components are (i) right MIS dash board to build transparency on performance; (ii) structured cascaded reviews at all levels with well-defined goals; and (iii) focus on problem solving and root cause analysis

Daily Reviews - The project team issues a daily progress report that highlights the project progress and notifies of key issues. DPR is sent to the business head, PCH and relevant stakeholders. The PCH and project coordinator facilitate any support required from the head office.

Productivity Review - In order to ensure high productivity regular reviews are conducted to ensure (i) ideal resource allocation – right gang, right equipment; and (ii) ideate ways to drive productivity.

ROW and Client management - Proactive efforts are made to ensure reduce hinderance to progress of the project to (i) minimise the cost and time impact of ROWs/holds by expediting clearance; and (ii) engage with client in a structured manner to de-bottleneck various issues.

Store Management – We have laid down process and procedures for store management to eliminate loss, pilferage, and damage of material and resources. Project team actively reduces wastage to the acceptable limits of the project.

Asset Management – We have set procedures for (i) good planning, reporting and coordination to improve utilization and idling time at site; and (ii) mechanism to build accountability in project teams to prevent damage and loss of assets.

Contract Management – During the currency of the project, a team is responsible for keeping track of all contractual matters pertaining to any delays not attributable to the company, cost deviation caused due to events beyond the control of the company, changes in scope that may have cost and time implications on the project. The claims pertaining to the matter are submitted to the time to time for monetary compensation.

Project Academy – Businesses are assigned a project academy team that works on continuous initiative for process standardization, process improvement, cost reduction and productivity improvement. Team works closely with the project teams and business heads for introduction of introduction and improvement of new processes, induction of new technology to improve efficiency.

Digital and Automation – We adopt new technologies to reduce consumption and wastage. New tools have been developed to monitor and optimize labour headcounts, improve attendance, and log technical snags for close out amongst others.

Management Reviews- Monthly leadership team meetings are organized to review physical and financial progress. The meeting is chaired by Managing Director and attended by Chief Financial Officer, Business Head, Profit Centre Head, Project Manager and key members of the execution team. Leadership team deliberate on the key issues faced by the project and discuss way forward to overcome the challenges.

Project Completion - Project is closed out meeting all the contractual outcomes. Project team works with the clients to identify any punch list items and assigns team for timely physical and commercial closure of the project.

Demobilization - On completion of the project, the teams, plant and equipment are demobilized as per demobilization plan. Task specific team continue to be stationed at site to close out residual works.

Closure Phase

Project Completion report– At the completion of the project, the project team prepares and sends the project completion report to the head office.

Completion Certificate – On satisfactory closure of the punch list items, the customer issues a completion certificate/taking over certificate, which signifies the commencement of the defect liability period. The customer will release the full or part of performance bank guarantee or retention on issuance of completion/taking over certificate of the project.

Defect Liability Period ("**DLP**") – Post completion, the company may enter into defect liability period spanning one to three years as per contract. The contract stipulates the action to be taken in case defects are detected in the contractual deliverables. Company will have to remedy the defect through repair or replacement. On expiry of the DLP period the client will typically release the bank guarantee associated with the DLP.

Operations and maintenance – We enter into project operations and maintenance phase, as applicable, for the period defined in the contract. We will operate and maintain the plant and equipment to guarantee the stipulated output. In case of shortfall of the desired output we will remedy the issue.

Manufacturing Facilities

Our strategically positioned manufacturing facilities across key markets provide us with a substantial competitive edge. Our vertically integrated operations, which include manufacturing transmission towers, poles, substation structures, hardware and fittings, cables, OHE structures, and scaffoldings, help us maintain our industry leadership. We operate eight tower and cables manufacturing facilities located in India, the UAE, Brazil, and Mexico.

We operate six tower manufacturing facilities with a combined capacity of approximately 434,000 MT per annum to manufacture transmission towers, poles, hardware and fittings, structures for substation, railways, and solar, shutters, formwork and scaffolding. Given the increased demand in Middle East market, we have enhanced the capacity of the Dubai manufacturing facility to 60,000 MT per annum in Fiscal 2024.

Our comprehensive portfolio also includes two fully integrated cables manufacturing facilities located in Vadodara, Gujarat and Mysuru, Karnataka. These facilities produce a diverse range of cables, including power, control and instrumentation, railway, telecom, and specialty cables tailored to various applications. We have also set-up a PVC compound manufacturing facility, which is helping us enhance competitiveness and product quality in the cables business. Further, with increasing investments in transmission lines in India, we are establishing manufacturing capacity for aluminium conductors, including ACSR, Al-59, AAAC and ACSS.

The table below sets forth the installed capacity information of our manufacturing facilities as of / for the year/ period indicated:

Manufacturing Facility	Location	Business	Installed Capacity*		Capacity Utilized*		Actual Production*	
			As of March 31 2024	As of June 30 2024	As of March 31 2024	As of June 30 2024	As of March 31 2024	As of June 30 2024
			MTPA					
Transmission & Distribution	Butibori, Maharashtra	EPC	96,000	24,000	66.20%	70.50%	63,554	16,909
	Jabalpur, Madhya Pradesh	EPC	96,000	24,000	39.40%	53.10%	38,265	12,736
	Jaipur, Rajasthan	EPC	75,000	18,750	82.50%	62.70%	61,893	11,758
	Dubai, UAE	EPC	60,000	15,000	74.00%	72.20%	44,457	10,836
	Brazil, Betim/ MG, Brazil	EPC	72,000	18,000	40.30%	46.90%	28,995	8,452
	Mexico, Escobedo, N.L., Mexico	EPC	35,254	8,813	52.70%	34.20%	18,567	3,018
Total			**434,254**	**108,564**	**58.90%**	**58.70%**	**255,718**	**63,709**

** As certified by S N Samdani & Associates, Chartered Accountants pursuant to their certificate dated September 19, 2024.*
Note:

(1) Installed capacity for the three months ended June 30, 2024 has been taken pro-rata for three months of the annual capacity for Fiscal 2024.
(2) Capacity utilization is calculated as actual production divided by installed capacity for the relevant Fiscal/period.

Manufacturing Facility	Business	Installed Capacity*		Capacity Utilized*		Actual Production*	
		As of March 31, 2024	As of June 30, 2024	As of March 31, 2024	As of June 30, 2024	As of March 31, 2024	As of June 30, 2024
		Kilometer Per Annum (KMPA)					
Cable Vadodara and Mysuru Plant - Power Cables	Others	42,150 km	10,537 km	68.90%	59.30%	29,050 km	6,251

** As certified by S N Samdani & Associates, Chartered Accountants pursuant to their certificate dated September 19, 2024.*
Note:

(1) Installed capacity for the three months ended June 30, 2024 has been taken pro-rata for three months of the annual capacity for Fiscal 2024.
(2) Capacity utilization is calculated as actual production divided by installed capacity for the relevant Fiscal/period.

Customers

We serve a diverse range of customers across various industries. Our customers primarily include companies in the power transmission and distribution, railways, oil and gas, renewable energy, infrastructure, industrial and manufacturing sectors, as well as Government agencies.

Our focus is on establishing enduring partnerships with our clients, fostering trust, and delivering exceptional value through top-tier products and services. This approach enables us to continuously refine our strategies and generate long-term benefits for all stakeholders.

Key initiatives to enhance quality and service delivery for customers include:

Voice of Customer Programme: Utilising advanced digital platforms to monitor and swiftly address customer concerns, thereby improving overall satisfaction.

Quality Excellence Culture: Promoting a culture of quality through workshops, structured training, quality month celebrations, and the Kaizen Championship initiative.

Organisational Capability Enhancement: Achieving certifications such as DASt, ITSM, IMS, NABL, ISMS, and CE-EN to bolster our credentials and capabilities.

Continuous Improvement Programme: Applying advanced methodologies like DMAIC, PDCA, 8D, and Poka Yoke for ongoing process refinement and optimisation.

Quality Academy: Under the Quality Center of Excellence programme, nurturing quality champions to uphold and advance our standards across all products and services.

We conduct customer satisfaction surveys through customer feedback from customers, through physical or digital means. Customers evaluate the performance and provide rating on parameters based on the following: Productivity; Quality; Cost; Delivery; Safety and Morale.

Raw Materials

In executing turnkey EPC projects, we work with a diverse range of raw materials, including steel, aluminum, copper, zinc, and cement. We procure these materials through global sourcing, leveraging our international presence to secure high-quality supplies at competitive prices. To ensure a stable supply chain and as part of risk management, we use various hedging tools thus mitigating price volatility and securing consistent material availability. We prioritize vendor management with a focus on strong and long-term supplier relationships and regular assessments to maintain quality and reliability. We work collaboratively with suppliers to improve the sustainability index of our supply chain. Additionally, we employ efficient inventory management and digital procurement tools to streamline operations, enhance transparency, and optimize material availability. These strategies enable us to maintain its industry leadership while upholding ethical and sustainable practices.

Human Resources

As of Fiscals 2022, 2023 and 2024 and the three months ended June 30, 2024 we had 9,114, 7,779, 7,644 and 7,613 full-time employees, respectively, engaged in our operations.

We ensure the safety and well-being of our employees by providing them with a safe and secure work environment. We conduct various safety training programmes to educate and equip our employees with the knowledge and skills to follow workplace safety practices. Additionally, we organize comprehensive training programmes to enhance their competencies and help them grow and thrive in their career. Our employee policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into our Company and encouraging the development of skills to support our performance and the growth of our operations.

In Fiscal 2024, we launched KEC Employee CARES ("**KECARES**"), a comprehensive wellness initiative for employees that emphasizes physical, emotional, and financial well-being. As part of this program, over 2,768 employees received medical checkups, and Health Melas were conducted at various locations. We also partnered with Ekincare to enhance our employee wellness services. In addition, we revamped our Recognition and Rewards program, introducing the Recognize and Celebrate Excellence initiative. This program features both instant and quarterly awards to honor outstanding individuals and teams.

Our new Purpose Statement, "We transform lives by building sustainable world-class infrastructure," was unveiled alongside our Culture Pillars, encapsulated in the acronym EXCITE. This initiative aligns with our commitment to fostering a forward-thinking work environment and promoting both personal and professional development.

In Fiscal 2024, we successfully launched the 9th edition of the Digital Learning Championship and introduced several virtual learning initiatives, including Knowledge Café, Learning-On-The-Go, PMP Bootcamps, and D.E.A.L. These programs are designed to enhance competencies and provide interactive sessions led by senior leaders and industry experts.

To further bolster project management skills, we introduced the Project Management Excellence certification program in collaboration with NICMAR in Fiscal 2023. Additionally, we strengthened our expertise in manufacturing, procurement, sales, and tendering through strategic partnerships with renowned institutions.

Information technology

We leverage advanced management information technology systems and tools to ensure efficient and optimal use of resources, personnel, equipment, and finances. We utilize a range of engineering software packages for design and engineering applications tailored to our engineering, design and project management. Our software suite includes solutions for project management, document management, commercial operations, financial management, payroll, human resource management systems, and databases.

We have successfully implemented SAP as our Enterprise Resource Planning (ERP) system, which serves as the backbone of our business operations. This comprehensive application streamlines and automates processes across various functions, including finance, human resources, manufacturing, supply chain management, services, and procurement. SAP not only enhances operational efficiency but also provides robust system controls and real-time project monitoring, ensuring seamless integration and oversight of all business activities. This integration provides comprehensive management information system reports that keep us updated on project progress, ensuring a seamless flow of data and enabling optimal resource planning and utilization.

To safeguard our information technology landscape and digital assets, we have implemented security measures at respective layers. Our systems are protected by up-to-date antivirus software endpoint protection and response, and our network and web access are secured with next generation firewalls, secure web gateway, email gateway and data leakage protections to prevent cyberattacks and minimize the cyber risk to organization.

We maintain network logical separation between operational technology and information technology across all locations. Additionally, we have deployed next-generation Security Operations Centre with security orchestration, automation, and response services that not only monitor and record network activity but also automatically neutralize any detected intrusions. We continuously implement the latest technologies, audit recommendations and suggestions from external IT specialists to enhance our IT security measures further.

We are also certified Information security, cybersecurity and privacy protection — Information Security Management Systems ISO/IEC 27001:2022 from International Cyber Security Auditing and Certification by an accredited and reputable certification body.

Competition

The competition we encounter for each project varies significantly based on factors such as sector, business units, project type, contract value, margin profile, complexity, project location, customer reputation, and execution risks.

We face competition from both international and domestic firms. For international projects, we leverage our local experience, established relationships with regional clients, and in-depth knowledge of local conditions to offer competitive and cost-effective solutions. Our familiarity with regional working environments and our proven track record in these areas allow us to deliver superior value compared to our competitors.

Winning bids depends on several factors, including our demonstrated experience with large-scale projects, engineering and construction capabilities, and alignment with project requirements. In cases where we do not meet pre-qualification criteria independently, we may collaborate with or form partnerships with other companies.

While service quality, technical expertise, performance history, experience, adherence to health, safety, and environmental standards, availability of skilled personnel, and financial stability are crucial in client decisions, price frequently becomes the decisive factor in most tender awards.

Occupational Health and Safety

We are committed to following stringent health, safety and environmental policies and practices in the execution of our projects and have received several awards and certifications for our operations and projects from our clients.

Our EHS management system is regularly revised based on operations, past incidents and near misses reported. EHS Minimum Mandatory Requirements for each business unit are reviewed and implemented at all project sites as well as manufacturing plant locations. Digitalisation of EHS processes, realtime reporting of incidents, near misses across all levels of the organisation as well as monitoring closure of audit action points through in-house digital platform “RAKSHA”. It has features like e-permit to work and last-minute risk assessment modules. The platform provides end-to end EHS management and helps us achieve zero incident way of working.

Enhanced focus on safety training for all levels of employees and contract workers by leveraging modern technologies such as virtual and augmented reality helped achieve improvement in safety manhours training per person per year. Various internal and external safety audits, including client audits and integrated management system audits, at our sites and offices are conducted. Safety performance is reviewed at quarterly board meetings and direction/guidance is provided. EHS Steering Committee for every business and Safety committee for each project site is well established and functioning for effectively monitoring safety performance

In 2023, we have been certified under the single umbrella of the latest international standards of Integrated Management Systems by TÜV Nord Cert GmbH as per the requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 respectively, along with our subsidiary KEC Spur Infrastructure Private Limited. Additionally, our transmission plants in India have been awarded the ISO 50001:2018 Energy Management Certification by TÜV Nord Cert GmbH.

Environment, Social and Governance

We believe that true business sustainability means creating value that goes beyond what is reflected in financial statements. While tangible assets are essential, we also place significant emphasis on intangible value, considering the broader spectrum of stakeholders, including society and the environment.

For us, value creation is central to our philosophy, leading us to integrate ESG factors into every aspect of our operations. Embracing sustainable development not only aligns with our vision but also offers the opportunity to conduct business in an innovative and responsible manner, ensuring long-term viability. As responsible corporate stewards, we view Sustainability and ESG principles as fundamental pillars of our mission, crucial for building resilience and creating lasting value. Our Sustainability Policy serves as a guide, outlining our goals and targets as we work to make a positive impact on our internal and external stakeholders. Additionally, our newly introduced purpose statement “We transform lives by building sustainable world-class infrastructure” highlights our commitment to this approach, reaffirming our dedication to creating a better, more sustainable future for all.

In our commitment to reducing our carbon footprint, we are increasing our use of renewable energy by installing rooftop solar power plants at our tower factories and procuring green power for our cable plants. Our Butibori, Jabalpur, and Vadodara manufacturing facilities are certified for the Water Positive Index, and we are continuously working on water conservation initiatives. We are also enhancing our manufacturing capabilities with cutting-edge equipment and advanced technologies, including digital and automation tools, to improve efficiency and productivity. These investments support our growth while promoting environmental sustainability.

ESG and Sustainability Structure

Our ESG and sustainability policies and structure are overseen by the board of directors. The board is responsible for approving the sustainability policy and ensuring that ESG practices are integrated into the company’s long-term vision for sustainability.

At the board committee level, the Sustainability and Corporate Social Responsibility Committee, which includes four independent directors, is tasked with recommending the sustainability policy, reviewing performance on sustainability goals, targets, and strategy, and providing guidance to achieve these objectives. At the corporate level, the Executive Committee, consisting of the Senior Management team, is responsible for overseeing the progress of the ESG and sustainability agenda and ensuring the implementation and adherence to the sustainability roadmap. At the business level, the Steering Committee, made up of business and functional heads along with members from corporate functions such as investor relations, corporate secretarial, corporate strategy, and corporate communications, is responsible for driving and implementing the sustainability roadmap and initiatives.

ESG Policies

We understand the importance of aligning our governance with the evolving business environment and the diverse needs of our clients. Our company is committed to consistently enhancing our numerous governance processes and policies, upholding the highest standards of corporate conduct. By implementing robust ESG policies, we advance sustainability and ethical practices. Our suite of policies are enumerated below:

Commitment to ESG

Sustainability is deeply embedded in the core ethos of our operations. Over the years, we have adopted numerous sustainable practices that have driven our performance to new heights. To further elevate our commitment, we embarked on a comprehensive sustainability journey that aligns with the evolving business landscape in India and our global operations.

We undertook an exhaustive process to develop our strategic sustainability roadmap, setting clear goals, targets, and action plans for transformative business practices. This process involved thorough stakeholder engagement and materiality analysis, enabling us to identify and prioritize key sustainability topics and initiatives.

In recent years, we have made substantial progress towards these sustainability goals, implementing a range of initiatives across our ESG focus areas. Our efforts have been recognized and appreciated, as reflected by improvement in ESG ratings by S&P Global DJSI, Morningstar Sustainalytics, and MSCI.

Corporate Social Responsibility

We focus on holistic empowerment and maximizing positive impact for our stakeholders through initiatives spanning education, employability, community development, and heritage conservation. Community development initiatives address critical community needs, adapting interventions to suit evolving requirements. The Heritage Project aims to revive sites of cultural and social significance, bringing back their glory through innovative approaches. Additionally, our employees are encouraged to engage in various volunteering initiatives aimed at achieving societal development goals. In Fiscals 2022, 2023 and 2024, our corporate social responsibility related expenses were ₹ 13.81 crore, ₹ 14.04 crore, and ₹ 13.18 crore.

Certain key initiatives through which we envision a better tomorrow for the communities we operate in and the stakeholders we serve:

- the Swayam programme, is dedicated to empowering women and youth from less privileged sections through skill training programmes. Covering diverse sectors such as healthcare, logistics, construction, and IT, Swayam aims to provide them with opportunities for financial independence and self-reliance
- the Pehlay Akshar Schooling project, where functional English classes are imparted to children through various offline and online modes, including through television, 'A-Story-a-Day' Campaign and YouTube;
- the Pehlay Akshar Training, which targets capacity building of government school teachers to create 'Magic Classrooms' for safe learning environments for children and effective classes. This project also aims to establish learning rooms to provide collaborative spaces to students and teachers with a functional English curriculum, digital aids, books and skilled personnel to improve English literacy and impart 21st century skills;
- the Banganga Project, under Heritage Conservation, focuses on reviving the oldest continuously inhabited site in Mumbai, dating back to the 9th century;
- transforming Worli Koliwada through art, architecture, biodiversity conservation, community development, and creating visitor experiences to rejuvenate the heritage site; and
- other need-based Community Development interventions, which aims to support the essential needs of local communities through various interventions, including public health system support, COVID-19 relief work and community water purification systems.

Our dedication to corporate social responsibility embodies a sincere commitment to community upliftment and sustainable growth. Through collaborative efforts and impactful initiatives, we strive to create a positive impact and contribute to a brighter future for all stakeholders involved.

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 best industry practices. Our insurance policies include project insurance policies, transit policies , professional indemnity policies, terrorism insurance, plant & equipment's insurance, fire insurance policies, motor policies, employee benefit policies, general liability policies, workers compensation and public liability policies. Furthermore, these insurance policies insure us against all foreseen hazards that may cause injury and loss of life, damage and destruction of property, equipment and liabilities. However, our insurance coverage may not adequately protect us against excluded events from insurance policies, disruptions due to communicable diseases and consequential financial losses etc. For further details, see "*Risk Factors – Our insurance coverage may not adequately protect us against all our losses or liabilities.*" on page 67.

Intellectual Property

As of June 30, 2024, our Company has registered 32 trademarks, for which we have obtained valid registration certificates under various classes from the Trademarks Registry, Government of India under the Trademarks Act. The details of our registered trademarks are given below:

S. No.	Registered Trademark	Class of Trademark under the Trademarks Act	Registering Authority
1.	KEC	9	Trademark Registry, Mumbai
2.	KEC	17 & 40	Trademark Registry, Mumbai
3.	KEC	6, 37 & 42	Trademark Registry, Mumbai

S. No.	Registered Trademark	Class of Trademark under the Trademarks Act	Registering Authority
4.	KEC ASIAN CABLES	6	Trademark Registry, Mumbai
5.	KEC ASIAN CABLES	9	Trademark Registry, Mumbai
6.	KEC ASIAN CABLES	17	Trademark Registry, Mumbai
7.	ASIAN CABLES	6	Trademark Registry, Mumbai
8.	ASIAN CABLES	9	Trademark Registry, Mumbai
9.	ASIAN CABLES	22	Trademark Registry, Mumbai
10.	RPG CABLES	6	Trademark Registry, Mumbai
11.	RPG CABLES	9	Trademark Registry, Mumbai
12.	RPG CABLES	17	Trademark Registry, Mumbai
13.	RPG CABLES	22	Trademark Registry, Mumbai
14.		6	Trademark Registry, Mumbai
15.		9	Trademark Registry, Mumbai
16.		17	Trademark Registry, Mumbai
17.		22	Trademark Registry, Mumbai
18.	KEC word mark	4	Trademark Registry, Mumbai
19.	KEC word mark	7	Trademark Registry, Mumbai
20.	KEC word mark	9	Trademark Registry, Mumbai
21.	KEC word mark	17	Trademark Registry, Mumbai
22.	KEC word mark	40	Trademark Registry, Mumbai

S. No.	Registered Trademark	Class of Trademark under the Trademarks Act	Registering Authority
23.	KEC	4	Trademark Registry, Mumbai
24.	KEC	7	Trademark Registry, Mumbai
25.	KEC	17	Trademark Registry, Mumbai
26.	KEC	37	Trademark Registry, Mumbai
27.	KEC	40	Trademark Registry, Mumbai
28.	KEC	42	Trademark Registry, Mumbai
29.		37	Trademark Registry, Mumbai
30.	SPUR just the best....	37	Trademark Registry, Mumbai
31.	SPUR	37	Trademark Registry, Mumbai
32.	SPUR INFRASTRUCTURE	37	Trademark Registry, MUMBAI

Properties

Our registered office and corporate headquarters are located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030, India is provided to us by a group company within the RPG group on a right to use basis. We have other offices in Mumbai and Gurugram on a leasehold basis. Further, our manufacturing facilities in Nagpur, Jaipur, Mexico and Dubai are also on a leasehold basis.

We either own or lease various commercial premises in connection with our corporate, administrative or project-related functions. We typically lease various premises across India and overseas 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

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 and not more than fifteen Directors, provided that our Company may appoint more than fifteen Directors after passing a special resolution in a general meeting of our Shareholders.

The composition of our Board is in conformity with Section 149 of the Companies Act and Regulation 17 of the SEBI Listing Regulations. As of the date of this Preliminary Placement Document, our Board comprises ten Directors including one Executive Director, one Chairman and Non-Executive Director seven Non-Executive Independent Directors and one Non-Independent Non-Executive Director . Our Company has two women Independent Directors.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
1.	**Harsh Vardhan Goenka** ***Address***: Unit No. 208, 2nd Flr, Bezzola Complex, B Wing, Sion Trombay Road, Opp. Suman Nagar, Chembur, Mumbai, Maharashtra, 400071, India ***Occupation:*** Business ***Nationality****:* Indian ***Term****:* Retirement by rotation. ***DIN***: 00026726	66	Chairman and Non-Executive Director
2.	**Vimal Kejriwal** ***Address***: C-4102, Floor-41, C Wing, Lodha Bellissimo, N M Joshi Marg, Apollo Mill Compound, Mahalaxmi, Mumbai – 400 011, Maharashtra, India ***Occupation:*** Professional ***Nationality****:* Indian ***Term****:* For a period of one year from April 1, 2024, liable to retire by rotation. ***DIN***: 00026981	63	Managing Director and Chief Executive Officer
3.	**Arvind Singh** ***Address***: L 5103, Parx Laureate, Sector 108, Noida, Gautam Buddha Nagar, 201 304, Uttar Pradesh, India ***Occupation****:* Retired Civil Servant ***Nationality****:* Indian ***Term:*** For a period of five years from June 01, 2024 ***DIN***: 02780573	61	Independent Director
4.	**M. S. Unnikrishnan**	64	Independent Director

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
	Address: I-201/202, Lyra, Satellite Towers, Koregaon Park Annexe, Near Army Sports Institute, Pune City, Mundhva, Pune - 411 036, Maharashtra, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** For a period of five years from November 08, 2019 ***DIN***: 01460245		
5.	**Neera Saggi** ***Address***: Near BSNL Factory, Flat no.-1002, Atlantis Bldg Raheja Acropolis 1, CHS, Deonar, Mumbai – 400 088, Maharashtra, India ***Occupation:*** Retired Civil Servant ***Nationality:*** Indian ***Term:*** For a period of five years from March 27, 2024 ***DIN***: 00501029	68	Independent Director
6.	**Nirupama Rao** ***Address***: Apartment D, First Floor, Spring Leaf Apartment 6 Brunton Cross Road, Bangalore North, Museum Road Bengaluru – 560 025, Karnataka, India ***Occupation:*** Retired Civil Servant ***Nationality:*** Indian ***Term:*** For a period of five years from July 29, 2020 ***DIN***: 06954879	73	Independent Director
7.	**Shirish Sankhe** ***Address***: B-26 Ahuja Towers, Raja Bhau Anant Desai Marg, Century Bazaar Prabhadevi, Mumbai – 400 025, Maharashtra, India ***Occupation:*** Management Consultant ***Nationality:*** USA ***Term:*** For a period of five years from May 07, 2024 ***DIN***: 10197152	61	Independent Director
8.	**Vimal Bhandari** ***Address***: 164A, Kalpataru Horizon, SK Ahire Marg, Worli, Mumbai – 400 018, Maharashtra, India ***Occupation:*** Service	66	Independent Director

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
	Nationality**:* Indian ***Term**:* For a period of five years from May 07, 2024 ***DIN: 00001318		
9.	**Vinayak Chatterjee** ***Address***: House No-E-2278, Palam Vihar, Choma (62), Gurugram -122 017, Haryana, India ***Occupation**:* Service ***Nationality**:* Indian ***Term**:* Liable to retire by rotation. ***DIN***: 00008933	65	Non-Executive Non-Independent Director
10.	**Vikram Gandhi** ***Address***: Honeycomb Unit 6A Joe Lewis Drive & Ernie's Way, P.O. Box, SP Nassau 63158 BS ***Occupation**:* Financial Advisor ***Nationality**:* Indian ***Term**:* For a period of five years from August 07, 2024 ***DIN***: 05168309	62	Independent Director

Brief biographies of Directors

Harsh Vardhan Goenka

Harsh Vardhan Goenka is the Chairman and Non-Executive Director of the Company. He has been the Chairman of our Board since 2006. He is also the chairman of RPG Enterprises Limited. He holds a degree in master of business administration from the Centre for education in International Management, Geneva. He was previously associated with the Indian Merchant’s Chamber as its president. He is also a member of the National Executive Committee of FICCI.

Vimal Kejriwal

Vimal Kejriwal has been the Managing Director and Chief Executive Officer of our Company since April 01, 2015 and has been associated with the Company for more than two decades. He is a qualified Chartered Accountant and Company Secretary. He has completed an advanced executive program from Kellog School of Management and has completed a diploma course in tax management from Narsee Monjee Institute of Management Studies, India. He is also a director on the board of Raychem RPG Private Limited and the Indian Electrical and Electronics Manufacturers Association and a member of National Council of Construction Federation of India. Vimal has experience in diversified infrastructure sectors such as Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Oil & Gas Pipelines, Renewables and Cables.

Arvind Singh

Arvind Singh is an Independent Director of our Company since June 01, 2024. He has over 35 years of experience as an officer in the Indian Administrative Service. He has served as secretary, Tourism, Government of India. He has also served as the chairman, Airports Authority of India prior to which he was the additional chief secretary/ principal secretary, Energy, Government of Maharashtra as well as chairman and managing director, Maharashtra State Power Generation Company Limited. He has represented India's Ministry of Finance in Japan in the capacity of Minister (Economic & Commercial), Embassy of India, Tokyo. He was also the chairman and managing director of Maharashtra State Electricity Transmission Company Limited and director/ deputy secretary, Government of India. He has attended mid-career training courses at The Graduate Institute, Geneva and LBSNAA, Mussoorie.

M.S. Unnikrishnan

M.S. Unnikrishnan is an Independent Director with our Company since November 08, 2019. He holds a degree in bachelor of engineering from Nagpur University. He was appointed the co-chairman of the Apex Council for the Prime Minister's Scheme for Doctoral Research and as the Chairperson of the Research Council of CSIR-Central Mechanical Engineering Research Institute (SCIR-CMERI), Durgapur.

Neera Saggi

Neera Saggi is an Independent Director of our Company since March 27, 2024. She was a member of the Indian Administrative Services for 28 years.

Nirupama Rao

Nirupama Rao has been on the Board of our Company since October 31, 2014. She joined the Indian Foreign Service in 1973. She became the first woman spokesperson of the Ministry of External Affairs in 2001 and was assigned to Sri Lanka as High Commissioner for India. She was India's first woman Ambassador to China in 2006 and was the Foreign Secretary of India from August 2009 to July 2011. She has also served as India's Ambassador to the United States of America from 2011 to 2013.

Shirish Sankhe

Shirish Sankhe is an Independent Director of our Company since May 07, 2024. He holds a bachlor's degree in chemical engineering from the University of Bombay, a degree in master of science in chemical engineering from Purdue University and degree of doctor of philosophy awarded by the Purdue University. He has been associated with McKinsey & Company for over 26 years. Presently, he is associated with the ISEG Foundation (Institute for Sustainability, Employment and Growth).

Vimal Bhandari

Vimal Bhandari is an Independent Director of our Company since May 07, 2024. He is a qualified Chartered Accountant and holds a degree of bachelor of commerce in accounting and auditing from the University of Bombay. Prior to his association with our Company, he has served as the managing director and chief executive officer of Indostar Capital Finance Limited. He is currently a managing director with Arka Financial Holdings Private Limited and whole time director with Arka Fincap Limited designated as executive vice-chairman.

Vikram Gandhi

Vikram Gandhi is an Independent Director of our Company since August 07, 2019. He holds a degree of master in business administration from Harvard University. He is a member of the YPO Gold Mumbai Chapter.

Vinayak Chatterjee

Vinayak Chatterjee is a Non-Executive Non-Independent Director of our Company since December 06, 2021. He holds a degree of bachelor of arts in economics from the University of Delhi and post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is the founder and the trustee of the Infravision Foundation. Currently, he is the Chairman of the Confederation of Indian Industry's Infrastructure Council. He is also a director on the board of Indraprastha Medical Corporation Limited.

Relationship between our Directors

None of the Directors of our Company are related to each other.

Terms of appointment of our Directors

a) Terms of appointment of our Executive Directors

The following table sets forth the current terms of appointment of Vimal Kejriwal, our Executive Director, pursuant to the Board resolution dated May 3, 2023 read with the resolution dated July 26 ,2024

Sr. No.	Category	Remuneration
i.	Salary	Basic salary of ₹ 1.83 crores per annum and an additional ₹ 6.10 crores per annum as 'other allowances'
ii.	Bonus	Performance bonus/ incentive not exceeding ₹6.00 crores, payable annually for each financial year, based on the performance of the Company/individual across multiple parameters such as revenue, order book, profitability etc., as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.
iii.	Perquisites	i) Contribution towards Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the rules of the Company. ii) Company car and driver and mobile phone for official duties as per the rules of the Company. iii) Leave encashment as per the rules of the Company.

b) Terms of appointment of our Non-Executive Directors

Sitting fees

Our Non-Executive Directors are entitled to receive sitting fees for attending meetings of our Board or any of its committees, and to reimbursement of related expenses. Pursuant to the resolutions passed by our Board of Directors on May 06, 2016, November 08, 2019, August 03, 2022 and January 30, 2024, our Non-Executive Directors are paid sitting fees as below mentioned-

S. No.	Meeting	Sitting fee per meeting
1.	Board Meeting	₹ 100,000
2.	Audit Committee	₹ 75,000
3.	Stakeholders' Relationship Committee	₹ 25,000
4.	Nomination and Remuneration Committee	₹ 45,000
5.	Sustainability Corporate Social Responsibility Committee	₹ 35,000
6.	Risk Management Committee	₹ 35,000
7.	Finance Committee	₹ 5,000

Commission

Our Non-Executive Independent Directors are entitled to receive remuneration by way of commission, keeping in view the valuable contribution, responsibilities and the time devoted, and based on the performance evaluation report. Pursuant to the Board resolution dated May 07, 2024, for the financial year 2023-24, the current Chairperson of our Board, Harsh Vardhan Goenka, was entitled to a commission of ₹ 2.36 crores and the other Non-Executive Directors were entitled to a commission of ₹ 0.16 crores each, except G. L. Mirchandani, who received a commission of ₹ 0.04 crores.

Remuneration details of our Directors

Remuneration paid to our Executive Directors

The details of remuneration paid by our Company to our Executive Directors for Fiscals 2022, 2023 and 2024 and for the period from April 1, 2024 till August 31, 2024 are set forth in the table below:

(in ₹ crores)

Sr. No.	Name of the Executive Director	For the period from April 1, 2024 till August 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Vimal Kejriwal	5.19	9.40	8.69	8.17

Remuneration paid to our Non-Executive Directors and Independent Directors

The details of remuneration (which includes sitting fees and commission) paid by our Company to our Non-Executive Directors, including Independent Directors, for Fiscals 2024, 2023 and 2022 are set forth in the table below:

(in ₹ crores)

Sr. No.	Name of the Director	For the period from April 1, 2024 till August 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Harsh Vardhan Goenka	0.03	2.39	2.41	6.16
2.	M. S. Unnikrishnan	0.06	0.20	0.16	0.18
3.	Neera Saggi	0.05	Nil	Nil	Nil
4.	Shirish Sankhe	0.02	Nil	Nil	Nil
5.	Vimal Bhandari	0.04	Nil	Nil	Nil
6.	Vinayak Chatterjee	0.03	0.20	0.17	0.06
7.	Vikram Gandhi	0.02	0.18	0.16	0.16
8.	Arvind Singh	0.01	Nil	Nil	Nil
9.	Nirupama Rao	0.03	0.22	0.18	0.17

Shareholding of our Directors

Except as disclosed below, none of our Directors hold any Equity Shares in our Company, as of the date of this Preliminary Placement Document:

Sr. No	Name of the Director	Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares
1.	Harsh Vardhan Goenka*	50,42,917	1.96
2.	Vimal Kejriwal**	875	0.00

**Further, 6,95,47,483 Equity Shares of our Company aggregating to 27.02% are held by Harsh Vardhan Goenka through various trusts, LLPs and other entities.*
***held jointly with his spouse, Sunita Kejriwal.*

Borrowing powers of our Board

In accordance with the Articles of Association of our Company, our Board of Directors is empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated May 03, 2023 passed by our Board, our Company is authorised to borrow any sum or sums of money (including fund based and non-fund based working capital facilities) from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the said paid-up share capital of the Company, free reserves (that is to say reserves not set apart for any specific purpose) and securities premium, subject to such aggregate borrowings not exceeding the amount of ₹25,000 Crore (Rupees Twenty Five Thousand Crore only) and to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their remuneration, fees and commission, if any, payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them, and the Executive Director of our Company may be deemed to be interested to the extent of remuneration paid to him for services rendered.

Our Executive Directors may also be regarded as interested in the Equity Shares held by them, or held by or that which may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefits arising out of such holding.

Except as provided in the section titled "*Related Party Transactions*" on page 89, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document, in which any of our 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.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested.

Bonus or profit-sharing plan of our Directors

Except as disclosed in "– *Terms of Appointment of our Directors*" on page 217, none of our Directors are party to any bonus or profit-sharing plan.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Management organization chart

Corporate governance

Our Board presently consists of ten Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has seven Independent Directors (including two woman Independent Director).

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, 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) Sustainability and Corporate Social Responsibility Committee. In addition to the above, our Board has also constituted the Finance Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Sr. No.	Committee	Name and designation of members
1.	Audit Committee	(i) Vimal Bhandari (Chairperson); (ii) Neera Saggi (Member); and (iii) M. S. Unnikrishnan (Member)
2.	Nomination and Remuneration Committee	(i) M. S. Unnikrishnan (Chairperson); (ii) Nirupama Rao (Member); and (iii) Vimal Bhandari (Member)
3.	Stakeholders Relationship Committee	(i) Nirupama Rao (Chairperson); (ii) Vimal Kejriwal (Member); and (iii) Arvind Singh (Member)
4.	Risk Management Committee	(i) M. S. Unnikrishnan (Chairperson); (ii) Vimal Bhandari (Member); and (iii) Shirish Sankhe (Member)
5.	Sustainability and Corporate Social Responsibility Committee	(i) Nirupama Rao (Chairperson); (ii) Arvind Singh (Member); (iii) Shirish Sankhe (Member); and (iv) Neera Saggi (Member)
6.	Finance Committee	(i) Vimal Kejriwal (Chairperson); (ii) M. S. Unnikrishnan (Member); and (iii) Neera Saggi (Member)
7.	Committee of Directors	(i) M. S. Unnikrishnan (Member); (ii) Vimal Bhandari (Member); and (iii) Vimal Kejriwal (Member)

Key Managerial Personnel and Senior Management

In addition to Vimal Kejriwal, our Chief Executive Officer and Managing Director, the details of our Key Managerial Personnel and the members of Senior Management in terms of the Companies Act, 2013 and the SEBI ICDR Regulations, as on the date of this Preliminary Placement Document, are set forth below:

Sr. No.	Name	Designation
Key Managerial Personnel		
1.	Rajeev Aggarwal	Chief Financial Officer
2.	Suraj Eksambekar	Company Secretary & Compliance Officer

Senior Management		
1.	Ganesh Srinivasan	President – Transmission & Distribution
2.	Anand Kulkarni	Executive Director – Business Operations
3.	Kaushal Kodesia	Executive Director - Railways
4.	Manjit Singh Sethi	Executive Director – Cables
5.	Mayank Agrawal	Chief Executive – Oil & Gas Pipelines
6.	Milind Apte	Chief Human Resources Officer
7.	Nagesh Veeturi	Executive Director – Civil
8.	Neeraj Nanda	President – Emerging Businesses

Brief biographies of Key Managerial Personnel and Senior Management

Rajeev Aggarwal is the Chief Financial Officer of our Company. He is a Chartered Accountant with experience in varied areas of finance and also holds a degree in bachelor of commerce (honours course) from the University of Delhi. He has work experience of more than three decades. Prior to joining our Company, he was associated with Essar Power Limited, Shapoorji Pallonji Infrastructure and with Jindal Steel & Power. He has been associated with our Company since May 2014.

Suraj Eksambekar is the Company Secretary and Compliance Officer of our Company since July 26, 2024. He is a qualified Company Secretary and holds a degree in master's in business administration (finance) from the University of Pune and international diploma in enterprise risk management from Institute of Risk Management, United Kingdom. He has work experience spanning over a decade in secretarial and compliance operations, across various industries like information technology, infrastructure and banking. Prior to joining our Company, he was associated with KPIT Cummins Infosytems Limited, Larsen & Toubro Infotech Limited (now known as LTIMindtree Limited) and YES Bank Limited. He has been associated with our Company since November 2019.

None of our Key Managerial Personnel or members of Senior Management are related to each other or to the Directors of our Company.

All of our Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Our Company does not have any bonus or profit-sharing plan with the Key Managerial Personnel or members of the Senior Management.

Service Contracts with Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and members of the Senior Management have not entered into any service contracts with our Company providing any termination or retirement benefits.

Interest of our Key Managerial Personnel and member of the Senior Management

Other than as disclosed in the "– *Interest of our Directors*" on page 219, our Key Managerial Personnel and member of the Senior Management do not have any interest in our Company other than to the extent of the remuneration, benefits or stock options to which they are entitled as per their terms of appointment, 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. The Key Managerial Personnel and members of the 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. Additionally, certain of our Key Managerial Personnel may also deemed to be interested in our Company by virtue of their shareholding in our Company or the shareholding of the companies, trusts and firms in which they are interested in as a director, member and/or trustee in our Company, and to the extent of the benefits arising out of such shareholding.

Shareholding of our Key Managerial Personnel and Senior Management

Other than as disclosed under " – *Shareholding of our Directors*" on page 218, none of our Key Managerial Personnel or Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Other confirmations

1. None of the Directors, Promoter, Key Managerial Personnel or members of the Senior Management of our Company have any financial or other material interest in the Issue.

2. Our Promoter, Directors, Key Managerial Personnel and members of the Senior Management will not participate in the Issue.

3. Neither our Company, nor any of our Directors or our Promoter has been identified as a Wilful Defaulter or as a Fraudulent Borrower by any lending banks or financial institutions or consortiums.

4. Neither our Company, nor our Directors or Promoter is currently debarred from accessing capital markets under any offence under any order or direction made by SEBI.

5. None of our Directors and Promoter has been declared as a Fugitive Economic Offender.

6. No loans have been availed or extended by our Directors, Key Managerial Personnel or members of the Senior Management from, or to, our Company or the Subsidiaries.

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 conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information 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 Preliminary Placement Document, please refer to the section titled "*Related Party Transactions*" on page 89. These disclosures made are as per the requirements of Ind AS 24.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate history

Our Company was originally incorporated on March 18, 2005, under the Companies Act, 1956 as KEC Infrastructures Limited, pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, a certificate of commencement of business dated March 21, 2005, was issued to our Company by Registrar of Companies, Maharashtra at Mumbai. Thereafter, the name of our Company was changed to KEC International Limited pursuant to a fresh certificate of incorporation consequent to change of name issued by the Registrar of Companies, Maharashtra at Mumbai on January 9, 2006. For further details regarding changes in the name and the Registered Office and Corporate Office of our Company, please refer to the section titled "*General Information*" on page 288.

Our Company's CIN is L45200MH2005PLC152061.

The Registered and Corporate Office of our Company was changed from CEAT Mahal, 1st Floor, 463, Dr. Annie Besant Road, Worli, Mumbai – 400030 to RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400030 with effect from November 03, 2010.

Our Equity Shares have been listed on BSE and NSE since March 10, 2006.

Subsidiaries

As on date of this Preliminary Placement Document, our Company has seven Direct Subsidiaries and 10 Step-Down Subsidiaries, as set forth below:

Direct Subsidiaries

1. Al Sharif Group & KEC Limited Company
2. KEC International (Malaysia) SDN.BHD.
3. KEC Investment Holdings
4. KEC Power India Private Limited
5. KEC Spur Infrastructure Private Limited
6. KEC Towers LLC
7. RPG Transmission Nigeria Limited

Step-Down Subsidiaries

1. KEC Engineering & Construction Services S de RL de CV
2. KEC EPC LLC
3. SAE Prestadora de Servicios Mexico S de RL de CV
4. SAE Towers Brazil Torres de Transmissão Ltda.
5. SAE Towers Brazil Subsidiary Company LLC
6. SAE Towers Construcao Ltda
7. SAE Towers Holdings LLC
8. SAE Towers Ltd.
9. SAE Towers Mexico S de RL de CV
10. SAE Towers Mexico Subsidiary Holding Company LLC

As on date of this Preliminary Placement Document, SAE Towers Holdings LLC and KEC Investment Holdings are the Material Subsidiaries of our Company.

Holding company

As on date of this Preliminary Placement Document, our Company does not have a holding company.

Associate company

As on the date of this Preliminary Placement Document, our Company has one associate company, i.e., RP Goenka Group of Companies Employees Welfare Association.

Joint ventures

As on the date of this Preliminary Placement Document, our Company does not have any joint ventures.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on June 30, 2024 is set forth below:

Table I – Summary statement holding of specified securities:

Category	Category of shareholder	Number of shareholders (III)	Number of fully paid-up Equity Shares held	Number of partly paid-up Equity Shares held	Number of shares underlying Depository Receipts	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			Number of shares underlying outstanding convertible securities (including warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
(I)	(II)		(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)			(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
								Number of Voting Rights		Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group	23	13,33,69,101	-	-	13,33,69,101	51.88	13,33,69,101	13,33,69,101	51.88	-	51.88	-	-	-	-	13,33,69,101
(B)	Public	1,25,204	12,37,19,269	-	-	12,37,19,269	48.12	12,37,19,269	12,37,19,269	48.12	-	48.12	-	-	-	-	12,21,00,784
(C)	Non Promoters - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**1,25,227**	**25,70,88,370**	**-**	**-**	**25,70,88,370**	**100.00**	**25,70,88,370**	**25,70,88,370**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**25,54,69,885**

Table II - Statement showing shareholding pattern of our Promoter and Promoter Group:

Category	Category and Name of the Shareholder	Number of Shareholders	Number of fully paid-up equity shares held	Number of Partly paid- up equity shares held	Number of Shares Underlying Depository Receipts	Total Number of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				Number of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Number of Voting Rights			Total as a % of (A+B+C)							
								Class X	Class Y	Total				Number	As a % of total Shares held	Number	As a % of total Shares held	
A(1)	**Indian**																	
a)	Individuals/ Hindu Undivided Family	11	50,83,120	-	-	50,83,120	1.98	50,83,120	-	50,83,120	1.98	-	1.98	-	-	-	-	50,83,120
b)	Any other (Specify)	12	12,82,85,981	-	-	12,82,85,981	49.90	12,82,85,981	-	12,82,85,981	49.90	-	49.90					12,82,85,981
	Sub Total A(1)	23	13,33,69,101	-	-	13,33,69,101	51.88	13,33,69,101	-	13,33,69,101	51.88	-	51.88	-	-	-	-	13,33,69,101
A(2)	**Foreign**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total = A(1)+ A(2)	**23**	**13,33,69,101**	**-**	**-**	**13,33,69,101**	**51.88**	**13,33,69,101**	**-**	**13,33,69,101**	**51.88**	**-**	**51.88**	**-**	**-**	**-**	**-**	**13,33,69,101**

Table III - Statement showing shareholding pattern of the public shareholders:

Category	Category and Name of the Shareholder	Number of Shareholders	Number of fully paid-up equity shares held	Number of Partly paid- up equity shares held	Number of Shares Underlying Depository Receipts	Total Number of Shares Held (IV+V+VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				Number of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Number of Voting Rights			Total as a % of (A+B+C)			Number	As a % of total Shares held	Number	As a % of total Shares held	
								Class X	Class Y	Total								
B(1)	**Institutions (Domestic)**																	
(a)	Mutual Funds	16	6,10,06,109	-	-	6,10,06,109	23.73	6,10,06,109	-	6,10,06,109	23.73	-	23.73	-	-	-	-	6,10,06,109
(b)	Alternative Investments Funds	4	13,45,705	-	-	13,45,705	0.52	13,45,705	-	13,45,705	0.52	-	0.52	-	-	-	-	13,45,705
(c)	Banks	19	1,04,728	-	-	1,04,728	0.04	1,04,728	-	1,04,728	0.04	-	0.04	-	-	-	-	99,658
(d)	Insurance Companies	9	25,75,733	-	-	25,75,733	1.00	25,75,733	-	25,75,733	1.00	-	1.00	-	-	-	-	25,75,733
(e)	NBFCs registered with RBI	3	1,921	-	-	1,921	0.00	1,921	-	1,921	0.00	-	0.00	-	-	-	-	1,921
(f)	Other Financial Institution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Any Other Specify	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total B(1)	**51**	**6,50,34,196**	**-**	**-**	**6,50,34,196**	**25.30**	**6,50,34,196**	**-**	**6,50,34,196**	**25.30**	**-**	**25.30**	**-**	**-**	**-**	**-**	**6,50,29,126**
B(2)	**Institutions (Foreign)**																	
(a)	Foreign Portfolio Investors Category-I	151	3,10,89,578	-	-	3,10,89,578	12.09	3,10,89,578	-	3,10,89,578	12.09	-	12.09	-	-	-	-	3,10,89,578
(b)	Government Pension Fund Global	1	31,84,580	-	-	31,84,580	1.24	31,84,580	-	31,84,580	1.24	-	1.24	-	-	-	-	31,84,580
(c)	Foreign Portfolio Investors Category-II	13	14,58,326	-	-	14,58,326	0.57	14,58,326	-	14,58,326	0.57	-	0.57	-	-	-	-	14,58,326
	Any Other Specify	3	5,605	-	-	5,605	0.00	5,605	-	5,605	0.00	-	0.00	-	-	-	-	5,605
	Sub-Total B(2)	167	3,25,53,509	-	-	3,25,53,509	12.66	3,25,53,509	-	3,25,53,509	12.66	-	12.66	-	-	-	-	3,25,53,509

Category	Category and Name of the Shareholder	Number of Shareholders	Number of fully paid-up equity shares held	Number of Partly paid- up equity shares held	Number of Shares Underlying Depository Receipts	Total Number of Shares Held (IV+V+VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				Number of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Number of Voting Rights			Total as a % of (A+B+C)			Number	As a % of total Shares held	Number	As a % of total Shares held	
								Class X	Class Y	Total								
B(3)	**Central Government / State Government (s)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B(4)	**Non-Institutions**																	
(a)	Associate companies / Subsidiaries	1	11,74,995	-	-	11,74,995	0.46	11,74,995	-	11,74,995	0.46	-	0.46	-	-	-	-	11,74,995
(b)	Directors and their relatives (excluding independent directors and nominee directors)	1	875	-	-	875	0.00	875	-	875	0.00	-	0.00	-	-	-	-	875
(c)	Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Relatives of promoters (other than immediate relatives' of promoters disclosed under Promoter and Promoter Group category)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee',	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category and Name of the Shareholder	Number of Shareholders	Number of fully paid-up equity shares held	Number of Partly paid- up equity shares held	Number of Shares Underlying Depository Receipts	Total Number of Shares Held (IV+V+VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities — Number of Voting Rights — Class X	Class Y	Total	Total as a % of (A+B+C)	Number of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares — Number	As a % of total Shares held	Number of Shares pledged or otherwise encumbered — Number	As a % of total Shares held	Number of equity shares held in dematerialized form
	'beneficiary', or 'author of the trust'																	
(f)	Investor Education and Protection Fund (IEPF)	1	21,89,842	-	-	21,89,842	0.85	21,89,842	-	21,89,842	0.85	-	0.85	-	-	-	-	21,89,842
(g)	Resident Individuals holding nominal share capital up to ₹2 lakhs	1,20,049	1,94,52,717	-	-	1,94,52,717	7.57	1,94,52,717	-	1,94,52,717	7.57	-	7.57	-	-	-	-	1,79,18,437
(h)	Resident Individuals holding nominal share capital in excess of ₹2 lakhs	4	4,99,472	-	-	4,99,472	0.19	4,99,472	-	4,99,472	0.19	-	0.19	-	-	-	-	4,99,472
(i)	Non-Resident Indians	2,959	8,98,155	-	-	8,98,155	0.35	s8,98,155	-	8,98,155	0.35	-	0.35	-	-	-	-	8,88,260
(j)	Foreign Nationals	1	75	-	-	75	0.00	75	-	75	0.00	-	0.00	-	-	-	-	75
(k)	Foreign Companies	2	46,425	-	-	46,425	0.02	46,425	-	46,425	0.02	-	0.02	-	-	-	-	-
(j)	Bodies Corporate	587	13,49,637	-	-	13,49,637	0.52	13,49,637	-	13,49,637	0.52	-	0.52	-	-	-	-	13,27,987
(k)	Any other (Specify)	1,381	5,19,371	-	-	5,19,371	0.20	5,19,371	-	5,19,371	0.20	-	0.20	-	-	-	-	5,18,206
(l)	Clearing Members	9	3,604	-	-	3,604	0.00	3,604	-	3,604	0.00	-	0.00	-	-	-	-	3,604
(m)	Hindu Undivided Family	1,310	3,90,575	-	-	3,90,575	0.15	3,90,575	-	3,90,575	0.15	-	0.15	-	-	-	-	3,90,520
(n)	LLPs	52	1,13,468	-	-	1,13,468	0.04	1,13,468	-	1,13,468	0.04	-	0.04	-	-	-	-	1,13,468
(o)	Trusts	8	9,322	-	-	9,322	0.00	9,322	-	9,322	0.00	-	0.00	-	-	-	-	8,212
(p)	Director or Director's Relatives	1	232	-	-	232	0.00	232	-	232	0.00	-	0.00	-	-	-	-	232

Category	Category and Name of the Shareholder	Number of Shareholders	Number of fully paid-up equity shares held	Number of Partly paid- up equity shares held	Number of Shares Underlying Depository Receipts	Total Number of Shares Held (IV+V+VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				Number of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Number of Voting Rights			Total as a % of (A+B+C)			Number	As a % of total Shares held	Number	As a % of total Shares held	
								Class X	Class Y	Total								
(q)	Unclaimed or Suspense or Escrow Account	1	2,170	-	-	2,170	0.00	2,170	-	2,170	0.00	-	0.00	-	-	-	-	2,170
	Sub-Total B(4)	**1,24,986**	**2,61,31,564**	**-**	**-**	**2,61,31,564**	**10.16**	**2,61,31,564**	**-**	**2,61,31,564**	**10.16**	**-**	**10.16**	**-**	**-**	**-**	**-**	**2,45,18,149**
	Total B=B(1)+B(2)+B(3)+B(4)	**1,25,204**	**12,37,19,269**	**-**	**-**	**12,37,19,269**	**48.12**	**12,37,19,269**	**-**	**12,37,19,269**	**48.12**	**-**	**48.12**	**-**	**-**	**-**	**-**	**12,21,00,784**

Table IV - Statement showing shareholding pattern of the non-promoter, non-public shareholders:

Category	Category and Name of the Shareholder	Number of Shareholders	Number of fully paid-up equity shares held	Number of Partly paid- up equity shares held	Number of Shares Underlying Depository Receipts	Total Number of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				Number of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Number of Voting Rights			Total as a % of (A+B+C)			Number	As a % of total Shares held	Number	As a % of total Shares held	
								Class X	Class Y	Total								
1.	Custodian / DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.	Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the bidding application, 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 that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible Bidder on whether such Eligible Bidder was eligible to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Also refer to the sections titled "Selling Restrictions" and *"Purchaser Representations and Transfer Restrictions" on pages 248 and 256, respectively*.

Our Company, the Book Running Lead Managers and their respective directors, shareholders, employees, counsels, officers, agents, advisors, 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 Preliminary 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 Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not ultimately result in triggering an open offer under the Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the 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.

This Preliminary Placement Document has 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 is being 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 Sections 42 and 62 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 certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue, including the date of passing the board resolution, the kind of securities being offered and the price at which they are 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 the Issue, the contribution made by the Promoter or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer 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 QIP, 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 adopt the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer cum application letter (i.e., this 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;

- our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this 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., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company 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;

- Equity Shares will be issued in accordance with the SEBI ICDR Regulations, and Allotment shall be made only in dematerialized form to the Allottees;

- our Promoter and Directors have not been declared as 'fraudulent borrowers' by lending banks or financial institution or consortium thereof, in terms of RBI master circular dated July 1, 2016;

- our Promoter and Directors are not Wilful Defaulters; and

- our Promoter and Directors are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued to Eligible QIBs shall be allotted 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 are 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 the Committee of Directors decides to open the Issue and "stock exchange" 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. Further, in accordance with the approval of the Shareholders accorded through a special resolution passed at the annual general meeting held on August 22, 2024 our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the QIP and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of Allotment, please refer to "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" below.

The Equity Shares issued pursuant to the QIP must be issued on the basis of this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under the PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and 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 do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to this Issue.

This Issue was authorised and approved by our Board of Directors on July 26, 2024 and approved by our Shareholders by way of a special resolution passed at the annual general meeting held on August 22, 2024.

The minimum number of allottees with respect to a QIP shall be at least:

- two, where the issue size is less than or equal to ₹ 250 crores; and

- five, where the issue size is greater than ₹ 250 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 details of what constitutes "same group" or "common control", please refer to "– *Bid Process – Application Form*" below.

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 floor of a recognised 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 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 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 state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 248 and 256, respectively.

The Equity Shares 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 has also filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with each of the Stock Exchanges. Our Company has 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 BSE and NSE, each dated September 24, 2024.

Issue Procedure

1. Our Company in consultation with the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be 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 this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by the Book Running Lead Managers in consultation with our Company, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers.

4. Bidders will be required to indicate the following in the Application Form:

   - Full official name of the Bidder to whom Equity Shares are to be Allotted, PAN details (if applicable) complete address, e-mail id, phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited pursuant to this Issue; and

   - a representation that (a) 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 jurisdiction where those offers and sales are made, and (b) it has agreed to certain other representations set forth in the sections titled "*Representations by Investors*" and "*Purchaser Representations and Transfer Restrictions*" on pages 4 and 256, respectively and in the Application Form.

   Note: *Eligible FPIs are 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 shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can 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 indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders 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.*

5. Each Bidder shall be 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 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 shall 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. No payment shall be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears 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 approval from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be 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, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the 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 the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or any Eligible QIB lowers or withdraws 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*" below.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form is 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 is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, the Bank will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the Book Running Lead Managers determine 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 will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) 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 to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price, refund details in case of partial refunds and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company in consultation with the Lead Managers.**

10. 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, shall, on our behalf, send a serially numbered Placement Document, either in electronic form or through physical delivery, to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

12. 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 specified in the records of the depositories or 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.

13. 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.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. 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 trading and listing approvals from the Stock Exchanges.

16. 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 trading and listing 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.

17. 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 Bid 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 Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "– *Refunds*" below.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) 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 crore 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 crore;
- 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 are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do 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. FVCIs are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of 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. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. The existing aggregate investment limit for FPIs in the Company is 100% of the paid-up capital of the Company.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as an FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI 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 NSDL 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. 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 are permitted to participate in the Issue subject to compliance with 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 offer and sale of the Equity Shares in the Issue in certain jurisdictions, please refer to the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 248 and 256, 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 QIB being, or any person related to the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a 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 Promoter.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary 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 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 Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not ultimately result in triggering an open offer under the Takeover Regulations and ensure compliance with applicable laws.

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 shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and 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 this Preliminary Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, 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 is authorised to do so. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under the sections titled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 4, 248 and 256, respectively:

1. The Eligible QIB confirms 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 confirms that it is not a Promoter, and is not a person related to the Promoter, either directly or indirectly, and its Application Form does not directly or indirectly represent the Promoter, or persons related to the Promoter or members of the Promoter Group;

3. The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) will be included as a 'proposed allottee' in the Issue in the Placement Document;

4. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter 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;

5. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

6. The Eligible QIB confirms 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 floor of the Stock Exchanges;

7. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

8. The Eligible QIB confirms 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;

9. The Eligible QIB confirms that its Bids would not ultimately result in triggering an open offer under the Takeover Regulations;

10. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by it, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;

11. The Eligible QIB agrees 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;

12. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with

the Book Running Lead Managers;

13. The Eligible QIB confirms 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. 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 Takeover Regulations;

14. The Eligible QIB confirms 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 agreed to certain other representations set forth in the sections titled "*Representations by Investors*" and "*Purchaser Representations and Transfer Restrictions*" on pages 4 and 256, respectively.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges 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 50% 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.

16. The Eligible QIB confirms 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;

17. The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in this Issue is lower than the Issue Price; and

18. The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its 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.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, 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 MUST 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, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "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, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above. 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 shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire amounts for the Equity Shares that may be Allotted to such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the Book Running Lead Managers) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the Escrow Account into which the Application Amount will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Name of the Book Running Lead Manager	Address	Contact person	Website and Email ID	Telephone
ICICI Securities Limited	ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	Rupesh Khant / Gaurav Mittal	Website: : www.icicisecurities.com Email ID: projectinspire@icicisecurities.com	Telephone: +91 22 6807 7100
JM Financial Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India	Prachee Dhuri	Website: https://www.jmfl.com/ Email ID: kec.qip@jmfl.com	Telephone: +91 22 6630 3030

The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is 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 is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue, shall 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 Escrow Account in the name of "KEC INTERNATIONAL LIMITED QIP ESCROW ACCOUNT" with ICICI Bank Limited, our Escrow Bank, in terms of the Escrow Agreement. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques or demand draft or cash shall be rejected.

If the payment is not made favouring the "KEC INTERNATIONAL LIMITED QIP ESCROW ACCOUNT" within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "KEC INTERNATIONAL LIMITED QIP ESCROW ACCOUNT" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund 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*" below.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act in the Application Form. Applications without this information will be considered incomplete and are 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 shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit 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

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. 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 Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations, as approved by our Shareholders pursuant to a special resolution passed at the annual general meeting held on August 22, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine 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 shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall 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 the Book Running Lead Managers, has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their 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 SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allotment Notice or CAN

Based on receipt of the Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price, the Application Amount paid and Refund Amount, if any, shall be notified to such Successful Bidders.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. Subsequently, our Board (or a duly constituted committee thereof) will approve the Allotment of the Equity Shares to the Allottees.

Successful Bidders 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, the Eligible QIB would have deemed to have made the representations and warranties as specified in the section titled "*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

Our Company will ensure that the Allotment of Equity Shares is completed by the Designated Date provided in the respective CANs, subject to the satisfaction of the terms and conditions of the Placement Agreement. The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees, in accordance with the SEBI ICDR Regulations. 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, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserve 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 QIBs' beneficiary accounts maintained with the Depository Participant, 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 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 the 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 is required to be disclosed in the 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 trading and listing 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, whichever is later.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

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 the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the 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/CAN (as applicable). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the date of 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 within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

We, at our sole discretion, reserve 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 Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other instructions

Right to reject applications

Our Company, in consultation with the Book Running Lead Managers, may 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 shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details, please refer to "*–Bid Process*" and "*–Refund*" above.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this 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 must 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 QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB, 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 QIBs.

Release of funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "KEC INTERNATIONAL LIMITED QIP ESCROW ACCOUNT" to our Company until receipt of notice from the Book Running Lead Managers, the trading and listing 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, whichever is later.

PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Placement Agreement

The Book Running Lead Managers and our Company have entered into the Placement Agreement dated September 24, 2024 ("**Placement Agreement**"), pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to use its reasonable efforts to place the Equity Shares with Eligible QIBs to subscribe to such number of our Equity Shares as may be agreed among our Company and the Book Running Lead Managers, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has 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 in India or any other class of investors, other than Eligible QIBs.

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 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 state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 248 and 256, respectively.

Relationship with the Book Running Lead Managers

In connection with the Issue, the Book Running Lead Managers (and their respective 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 subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers and their respective 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 Book Running Lead Managers may purchase 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, please refer to the section titled "*Offshore Derivative Instruments*" on page 10.

From time to time, the Book Running Lead Managers, their respective affiliates and associates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiaries, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

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. See "*Offshore Derivative Instruments*" and "*Representations by Investors*" on pages 10 and 4, respectively.

Lock-up

Subject to the exceptions set out herein, our Company undertakes that it will not for a period from the date of the Placement Agreement up to 30 days from the Closing Date, without the prior written consent of the Book Running Lead Managers: (a) (issue, offer, contract to issue, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose off, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or file any registration statement under the U.S. Securities Act or, publicly announce an intention with respect to any of the foregoing; (b)enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of 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) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise); or (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe to or purchase Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in a), b) or c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise;

However, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares pursuant to the Issue; and (ii) any transaction required by law or an order of a court of law or a statutory authority.

Subject to the exceptions set out herein, our Promoter undertakes will not for a period from the date of the Placement Agreement up to 30 days from the Closing Date (the "**Lock-up Period**", without the prior written permission of the Book Running Lead Manager, directly or indirectly: (a) Offer, sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose off, directly or indirectly, any Equity Share, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, 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 this clause (b) is to be settled by the delivery of the Equity Shares or such other securities, in cash or otherwise); or (c) 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, directly or indirectly, any shares or interest in an entity which holds any lock-up shares (d) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe to or purchase Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (e) publicly announce any intention to enter into any transaction whether any such transaction described in a), b) or c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise;

However, the foregoing restrictions will not be applicable to (i) pledge or mortgage of the Equity Shares already existing as on date or transfer of such existing pledge or mortgage; (ii) the issuance of any Equity Shares; and (iii) any issue or offer of Equity Shares by the Company, to the extent such issue or offer is: (a) required to be undertaken pursuant to Applicable Law; or (b) required to be undertaken pursuant to the instructions, orders or guidelines as may be issued by the Government of India or an undertaking of the Government of India or such other authority acting on its behalf, in each case with the requisite authority to issue such instructions, orders or guidelines, as the case may be (iv) any bona fide pledge or non-disposal undertaking of any of the Equity Shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, the Company or transfer of any of the promoter and promoter group shares to any third party pursuant to the invocation of any pledge in relation to the Equity Shares (v) any inter group transfer made to any entities promoted by the Promoter ("**Promoter Group Entities**"), subject to compliance with applicable laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of promoter shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary 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. Except for in India, 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 this Preliminary 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 this Preliminary Placement Document nor any offering materials or advertisements in connection with or other material relating to the Issue 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 Preliminary 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 "*Purchaser Representations and Transfer Restrictions*" on pages 1, 4 and 256, respectively.

Republic of India

This Preliminary 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. This Preliminary Placement Document has 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary 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 Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary 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 Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary 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 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 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 Lead Managers of such fact in writing and has received the consent of the 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 Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Lead Managers and their 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 Preliminary 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 Preliminary 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.

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 Preliminary 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 Preliminary 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 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 Preliminary 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 Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary Placement Document is strictly private and confidential. This Preliminary 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 Preliminary 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 Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary 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 Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary 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 Preliminary 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 Preliminary 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 Preliminary 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 Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary 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 Preliminary 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 Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary 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 Preliminary

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 Preliminary 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 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 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 Preliminary 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 Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary 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 the securities laws of any state of the United States and, unless so registered, 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in '*offshore transactions*', as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where such offers and sales are made. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 256.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares offered in the Issue or making any resale, pledge or transfer of the Equity Shares purchased in the Issue.

Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. Due to the following restrictions, investors are advised to consult their respective legal counsels prior to Bidding for the Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the BSE or the NSE. In addition to the above, allotments made to Eligible QIBs, including 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 an investment in the Equity Shares and related matters concerning the Issue. For more information, please refer to the section titled "Selling Restrictions" on page 248.

Additionally, in accordance with the FDI Policy, read along with the 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 related amendments to the FEMA Rules, wherein if the beneficial owner of the Securities is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. Further, the Bidders need to confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

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 U.S. state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you 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 U.S. 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 Preliminary 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 BRLM 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 BRLM. 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 website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers 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 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 of India acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the SCRR. On October 03, 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 ("**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws 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, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public 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 institutional 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 the SEBI, with effect from August 19, 2005, the 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. The 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, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA 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 bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum level of public shareholding

All listed companies (except 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 is required to bring its public shareholding to a minimum of 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold, in the manner specified by SEBI. Further, every listed public sector 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.

Index-based market-wide circuit breaker system

In order to restrict abnormal price volatility in any particular stock, the 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%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the 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 5%, 10% and 20% movements either up or down. 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.

Internet-based securities trading and services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. 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 by SEBI and other applicable laws. 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 the NSE.

Trading hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the 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.

Trading procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the 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.

The 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.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and 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.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the 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 Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The 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 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 Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The Takeover Regulations were amended on June 22, 2020, to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures ("**SDD**").

Prohibition of SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"), subject to certain limited exceptions. Under the SEBI 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. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

Further, the SEBI Insider Trading Regulations makes it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders.

The SEBI Insider Trading Regulations also provides for initial and continuing disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations 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. The depository system has significantly improved the operation of the Indian securities markets.

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 share capital of our Company including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. Bidders 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 comprises 57,00,00,000 Equity Shares of face value of ₹ 2 each aggregating to ₹ 1,14,00,00,000 and 15,00,000 Redeemable Preference Shares of ₹ 100 each aggregating to ₹ 15,00,00,000. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up share capital of our Company is ₹ 514,176,740 comprising 25,70,88,370 Equity Shares of face value of ₹ 2 each. The Equity Shares are listed on BSE and NSE. For further details, please refer to the section titled "*Capital Structure*" on page 86.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders at the AGM held each fiscal year. The dividend on equity shares can be declared/paid only after declaration/payment of applicable dividend on preference shares. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal year except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

According to the Articles of Association, our Company in a general meeting may declare dividends, but no dividend shall exceed the amount recommended by our Board. Subject to the provisions of the Companies Act, 2013, our Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of our Company. Our Board may, before recommending any dividend, set aside out of the profits of our Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of our Board, be applicable for any purpose to which the profits of our Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of our Company or be invested in such investments (other than Equity Shares of our Company) as our Board may, from time to time, think fit. Our Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Under the Companies Act, 2013, dividends must be paid within 30 days from the date of its declaration. Where our Company has declared dividend, but which has not been paid or claimed within 30 days from the date of declaration, our Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of the unpaid or unclaimed dividend to the unpaid dividend account. All Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Company in the name of Investor Education and Protection Fund, established by the Central Government.

Issue of bonus shares and capitalization of reserves

In addition to permitting dividends to be paid out of current or retained earnings, as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid-up bonus shares. Bonus shares must be distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Pre-emptive rights and alteration of share capital

Subject to the provisions of the Companies Act, our 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. Under Section 62(1)(a) of the Companies Act, 2013, the shareholders have the pre-emptive right to subscribe for new shares 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) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorised to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution in its general meetings, undertake any of the following:

- increase the share capital by such sum, to be divided into shares of such amounts as it thinks appropriate;
- divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with others;
- cancel shares which are the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled; and
- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

Preference shares

Subject to Section 55 of the Companies Act, 2013, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the conditions provided in the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended.

Our Articles of Association provide that our Company shall have power to issue, subject to the provisions of the Companies Act, 2013 and consent of our Board, any preference shares on the terms that they are, or at the option of our Company, liable to be redeemed on such terms and in any manner permissible under the Companies Act, 2013 and the Directors may, subject to the applicable provisions of the Companies Act, 2013, exercise such power as they deem fit and provide for redemption at a premium or otherwise as they deem fit.

General meetings of Shareholders

There are two types of general meetings of the Shareholders:

(i) Annual General Meeting, and

(ii) Extraordinary General Meeting.

As per the provisions of our Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

In accordance with Section 96 of the Companies Act, 2013, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months. Our Company shall, in addition to any other meetings, hold a general meeting which shall be styled as an Annual General Meeting at intervals and in accordance with the following provisions: (a) our Company shall hold its Annual General Meetings within such intervals as are specified in Section 96 read with Section 129 of the Companies Act, 2013 and subject to the provisions of Section 96(2) of the Companies Act, 2013 at such times and places as may be determined by our Board.

Our Board may, whenever it thinks fit, call an Extraordinary General Meeting. Further, our Board may call an Extraordinary General Meeting on requisition in compliance with the provisions of the Companies Act, 2013.

Whenever our Company proposes to undertake any action that statutorily requires the approval of the Shareholders of our Company, our Company shall call for an Extraordinary General Meeting in accordance with the provisions of the Companies Act, 2013 by serving at least 21 days' written notice to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the Extraordinary General Meeting. Unless waived in writing by all the Shareholders, any item not specifically included in the agenda of a Shareholders' meeting shall not be considered or voted upon at that meeting of the Shareholders (including at any adjournments thereof).

Our Company may also pass resolutions by means of postal ballot and/or other ways as may be prescribed under Section 110 of the Companies Act, 2013 and/or other applicable provisions, if any, and any future amendments or re-enactments, in respect of any business that can be transacted by our Company in a general meeting, instead of transacting the business therein. Further, in the case of resolutions relating to such business as the Government of India may prescribe, to be conducted only by postal ballot and/or other ways as may be prescribed, our Company shall get such resolutions passed only by postal ballot and/or other ways as may be prescribed, instead of transacting the business in a general meeting of the Company.

Voting rights

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote. Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorised representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company.

On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares in our Company shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, any one of such holders may vote at any meeting personally or by proxy in respect of such share, as if he were solely entitled thereto, and if more than one of such members be present at any meeting, either personally or by proxy, then one of the said members so present whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof. Further, upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions of Section 47 of the Companies Act, 2013. A member who is of unsound mind may vote whether on a show of hands or a poll by his committee or any other legal guardian and such person may give their votes by proxy.

Any business other than upon which a poll has been demanded may be proceeded with, pending the taking of the poll. No Shareholder shall be entitled to exercise any voting right, either personally or by proxy at any meeting of the Company unless all calls or other sums presently payable by him in respect of the shares in the Company have been paid, or in regard to which the Company has exercised any right of lien. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the meeting, whose determination made in good faith shall be final and conclusive.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the Registered Office of our Company at least 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by our Company at the Registered Office before the vote is given. However, the chairman of that meeting shall be entitled to require such evidence as he may think fit, of the due execution of the instrument of proxy and that such instrument has not been revoked.

Transfer and transmission of Equity Shares

Equity 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 depository 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 exempt from stamp duty; however, subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold). Our Company has entered into an agreement for such depository services with the NSDL and CDSL. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

The executor or administrator of a deceased member (not being one of the several joint-holders) shall be the only person recognised in the name of such member, and in case of the death of anyone or more of the joint holders of any registered Equity Share, the survivor shall be the only person recognised by the Company as having any title to or interest in such Equity Share. However, the above stated shall not release the estate of a deceased joint holder from any liability in respect of any Equity Share which had been jointly held by him with other persons.

If any person becoming entitled to Equity Shares in consequence of the death of a Shareholder, elects to be registered as holder of the Equity Share himself, he shall deliver or send to the Company, a notice signed by him stating that he so elects. If the said person elects to transfer the Equity Shares, he shall testify his election by executing an instrument of transfer of the Equity Shares. Our Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased, lunatic, insolvent, bankrupt shareholder had transferred the Equity Share(s) before his death, lunacy, bankruptcy or insolvency.

Any person becoming entitled to Equity Shares by reason of the death, lunacy, bankruptcy or insolvency of a Shareholder shall, subject to Section 123 of the Companies Act, 2013, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Equity Shares.

Registration of Transfers and Register of Members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period as the Board of Directors may deem expedient, subject to such period not exceeding the number of days as may be prescribed under applicable laws including the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Directors

The Articles of Association provide that the number of Directors on the Board shall not be less than three and not more than fifteen. The Articles of Association also permit our Directors to appoint any other person as a director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number of 15, as fixed under the Articles of Association. However, any director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated, but shall be eligible for re-election at such meeting.

Acquisition by our Company of its own Equity Shares

The Company is permitted to buy-back its securities including shares in accordance with the provisions of Sections 68, 69 and 70 and other applicable provisions, if any, of the Companies Act, 2013 (including any future amendments or re-enactments) and as per the rules and procedures prescribed therein and in compliance with any related SEBI regulations, as well as other the prevailing regulatory provisions and guidelines.

Liquidation rights

In the event of our winding 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. 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.

Winding up

As per the provisions of our Articles of Association, our Company may be wound up in accordance with the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016, as amended (to the extent applicable). If our Company shall be wound up, the liquidator may with the sanction of special resolution of our Company and any other sanctions as required by the Companies Act, 2013 divide amongst the shareholders, in specie or kind the whole or any part of the assets of the Company.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors
KEC International Limited
RPG House 463,
Dr. Annie Besant Road, Worli,
Mumbai, Maharashtra, India, 400 030

CC

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025,
Maharashtra, India

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg,
Prabhadevi Mumbai –400 025,
Maharashtra, India

(ICICI Securities Limited and JM Financial Limited are referred to as the "**Book Running Lead Managers**" or **"BRLMs**" in relation to the Issue)

Sub: Proposed Qualified Institutions Placement of equity shares of face value of ₹ 2 each (the "Equity Shares") by KEC International Limited (the "Company") in accordance with Sections 42 and 62(1)(c) of the Companies Act, 2013 (the "Act") , read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, read with Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") (the "Issue").

We, Suresh Surana & Associates LLP, Chartered Accountants, (Firm Registration Number: 121750W/W100010), appointed as Independent Chartered Accountants vide an engagement letter dated August 07, 2024 for the purpose of the Issue, hereby confirm that the enclosed **Annexure A**, states the possible special tax benefits, if any, available to the Company, to its shareholders and its material subsidiaries ("**Material Subsidiaries**") under the direct and indirect taxes presently in force in India ("**Indian Tax Laws**") and the income tax regulations in the respective countries where the Material Subsidiaries are located. These possible special tax benefits are dependent on the Company or its shareholders and its Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders and its Material Subsidiaries 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, its shareholders and its Material Subsidiaries may or may not choose to fulfill such conditions.

Management's Responsibilities

The preparation of Annexure A as of the date of our certificate which is to be included in the Preliminary Placement Document and the Placement Document and identify Material Subsidiaries for the purpose of this certificate is the responsibility of the Management of 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 identifying and ensuring that the Company complies with the laws and regulations applicable to the Issue.

Our Responsibility

Our responsibility is to examine whether Annexure A prepared by the Company is in accordance with the applicable Tax Laws. For this purpose, we have read Annexure A and evaluated with reference to the provisions of the Indian Tax Laws and perused the certificates issued by the independent Chartered Accountants ("ICA") for Material Subsidiaries.

For the purpose of this certificate, subsidiaries whose income or net worth exceeds 10 percent of the Company's consolidated income or consolidated net worth as per the Audited Financial Statements for the year ended March 31, 2024 are considered as material subsidiaries.

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, its shareholders and its Material Subsidiaries and do not cover any general tax benefits available to them. The 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 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 we are suggesting nor advising investors to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders and its Material Subsidiaries 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.

Insofar as possible special tax benefits under direct and indirect tax laws in Mauritius as applicable to the material subsidiary, KEC Investments Holdings are concerned, we have relied on the certificate dated September 24, 2024, issued by R. J. Rathi & Co., Chartered Accountants without independently verifying the correctness of the certificate or content therein.

Insofar as possible special tax benefits under direct and indirect tax laws in USA as applicable to the material subsidiary, SAE Towers Holdings LLC are concerned, we have relied on the certificate dated September 24, 2024, issued by R. J. Rathi & Co., Chartered Accountants without independently verifying the correctness of the certificate or content therein.

Our confirmation is based on the information, explanations and representations obtained from the Company and certificates obtained from Independent Chartered Accountants in relation to special tax benefits available to material subsidiaries of the Company and based on our understanding of the business activities and operations of the Company.

We confirm that the information in this certificate is true, accurate and not misleading.

We have issued this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the '**Guidance Note'**) issued by the Institute of Chartered Accountants of India (the '**ICAI**'). The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

This certificate and the Annexure A enclosed is issued in connection with the Issue and the contents of the statements, in full or in part, can be disclosed in the Preliminary Placement Document, the Placement Document and other documents or materials in relation to the Issue.

We undertake to inform you promptly, in writing of any changes, within our knowledge upon receipt of the same from the Company, in writing, to the above information until the Equity Shares issued by the Company pursuant to issue commence trading on BSE Limited and the National Stock Exchange of India Limited (the "**Stock**

Exchanges”). In the absence of such communication from us, the above information should be considered as updated information until the Equity Shares issued pursuant to the Issue, commence trading on the Stock Exchanges.

This certificate may be relied upon by the addressees to this certificate BRLMs and the legal counsels to each of the Company and the BRLMs appointed for the purpose of the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the Placement Documents to be filed in relation to the Issue. We also consent to the submission of this certificate as may be necessary to any regulatory authority and/or for the records to be maintained by the BRLMs in connection with the Issue, in accordance with applicable law.

We also authorize the BRLMs to deliver this letter to Securities and Exchange Board of India (“**SEBI**”), the Stock Exchanges or any other governmental or regulatory authority as may be required or in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

Accordingly, our certificate should not be quoted or referred to in any other document made available to any other person or persons, other than in pursuance to the aforementioned paragraph as required by law or by a competent regulatory authority (in which case you shall, unless prohibited by law, informed to us), without our prior written consent. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Preliminary Placement Document and Placement Document to be filed in relation to the Issue.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number: 121750W/W100010
UDIN: 24143824BKCNXL5333

Santosh Maller
Partner
(Membership Number: 143824)
Place: Mumbai
Date: 24 September 2024

ANNEXURE A

Statement of possible special tax benefits available to KEC International Limited and its shareholders

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Taxation Laws. These possible special tax benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the various Taxation Laws. Hence, the ability of the Company or its Shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill:

#	Details of Tax Laws
1.	Income Tax Act, 1961 and Income Tax Rules, 1962, each as amended and read with respective circulars and notifications made thereunder
2.	Central Goods and Services Tax Act, 2017, as amended
3.	Integrated Goods and Services Tax Act, 2017, as amended
4.	State Goods and Services Tax Act, 2017, as amended
5.	Customs Act, 1962 and Customs Tariff Act, 1975, each as amended and read with respective rules, circulars and notifications made thereunder
6.	Foreign Trade (Development Regulation) Act, 1992
7.	Various overseas countries Taxation laws

I. Possible Special Direct Tax benefits available to the Company:

The Statement of possible tax benefits enumerated below is as per the Income Tax Act 1961 (“ITA”) as amended from time to time and as applicable for Financial Year (“FY”) 2024-25 relevant to Assessment Year (“AY”) 2025-26.

1. Lower corporate tax rate on income of domestic companies under Section 115BAA of the ITA

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus surcharge of 10% and health and education cess of 4%) on fulfillment of certain conditions. The effective corporate tax rate under section 115BAA is 25.168%. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised through filing of Form 10IC on the Income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% (plus surcharge of 10% and health and education cess of 4%) is subject to the company not availing any of the following exemptions/incentives/deductions under the provisions of the ITA:

- Section10AA: Tax holiday available to units in a Special Economic Zone
- Section 32(1)(iia): Additional depreciation
- Section 32AD: Investment allowance
- Section 33AB: Tea coffee rubber development expenses
- Section 33ABA: Site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research
- Section 35AD: Deduction for capital expenditure incurred on specified businesses
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional effective tax rate of 25.168% (i.e. 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/exemptions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the ITA. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the ITA shall not be applicable to companies availing this reduced tax rate and thus, any carried forward MAT credit also, cannot be claimed.

The Company has opted for the concessional rate of tax for the first time in the return of income filed for FY 2019-20 for which declaration in specified form (i.e., Form 10- IC) has been filed with the ITA.

2. **Deduction in respect of employment of new employees under the provisions of Section 80JJAA of the ITA**

The Company is entitled to claim deduction of an amount equal to 30 per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim deductions is subject to fulfillment of conditions prescribed in the ITA.

The Company has claimed the deduction under Section 80JJAA in the return of income filed for FY 2022-23 and shall claim the same for subsequent 2 assessment years.

3. **Deduction in respect of inter-corporate dividends under the provisions of Section 80M of the ITA**

As per the provisions of section 80M of the ITA, while computing the amount of tax payable on dividend income, the Company is entitled to claim deductions of an amount equal to dividend distributed to its shareholders on or before due date not exceeding the amount of dividend received from other domestic company or foreign company or a business trust. The expression "due date" means the date one month prior to the date of furnishing the return of income under section 139(1) of the ITA for the recipient company.

The Company is eligible to avail Section 80M benefit, as it owns shares of both domestic company and foreign company. The Company has availed the deduction under Section 80M of the Act in the FY 2021-22.

II. Possible special Indirect Tax benefits available to the Company:

As per the nature of current operation of company, the company is covered under regular provision of Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), The Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2024 including the relevant rules, notifications and circulars issued there under and Foreign Trade (Development Regulation) Act, 1992 ("FTDR Act"), applicable for the Financial Year 2024-25, presently in force in India.

The company is not availing any specific tax benefits under the above referred Act except the below mentioned export benefits/ exemptions/ remission schemes and duty exemptions on imports as per the relevant laws.

1. **Remission of Duties and Taxes on Exported Products (RoDTEP)**

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on September 14, 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms. At present, embedded duties and taxes, which are not refunded under any other scheme, are covered. Under the scheme, a rebate of these taxes will be given in the form of duty credit/electronic script.

2. **Benefits of Duty Drawback scheme under Sections 75 of the Customs Act, 1962**

As per section 75, the Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. Unlike the drawback of a portion of the customs duty paid on imported goods, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the amount of drawback payable on such goods.

3. **Duty Exemption Schemes (Advance Authorization)**
Notification No. 21/2023 dated April 1, 2023, pertains to Advance Authorization for duty-free import of inputs incorporated into export products, with provisions for fuel, oil, and catalysts used in production. This authorization is based on Standard Input Output Norms (SION) or self-declaration under paragraph 4.07 of the Handbook of Procedures. It allows duty savings on imports without export incentives.

4. **EPCG (Export Promotion Capital Goods)**
The EPCG Scheme allows duty-free import of capital goods for pre-production, production, and post-production activities. Capital goods include machinery, computer systems, spares, etc. Importers must fulfill an Export Obligation (EO) six times the duty saved, within 6 years from the authorization date. The scheme permits import or procurement from domestic sources, subject to conditions. Authorizations are valid for 24 months without revalidation. Integrated Tax and Compensation Cess paid in cash aren't considered for duty savings if Input Tax Credit isn't claimed.

5. **Benefit of exemption on import of goods under section 25 of the Customs Act**
As per section 25 of the Customs Act, the Central Government is empowered to exempt whole or part of customs duty leviable on import of goods. The Company is availing such exemption benefit on import of equipment under below mentioned notifications issued by the Central Government:

i. Notification No. 50/2017 — Customs dated 30*h June 2017 (as amended)
ii. Notification No. 57/2017 — Customs dated 30°h June 2017 (as amended)
iii. Notification No. 24/2005 — Customs dated 1s* March 2005 (as amended)
iv. Various other notifications under Foreign Trade Agreements/ Preferential Trade Agreements

6. **Export of Goods and Services under the GST law**
Under the GST regime, supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies and can seek refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of goods and services at zero rate on fulfilment of certain conditions. Exporters can export goods and services under Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export goods and services with payment of IGST and subsequently claim refund thereof, as per the provisions of section 54 of the CGST Act. The Company is undertaking exports of goods and services without payment of tax under the cover of LUT. However, no refund is applied as excess ITC is utilized against taxable GST output liability.

III. Possible special overseas Tax benefits available to the Company for its overseas operations:

The Company has various branches in overseas locations to execute EPC contracts. As the Company has Branch presence, it is registered before local regulators and undertakes local regulatory and tax compliances and discharges appropriate direct, indirect taxes, import duties, levies as per their prevailing Tax laws as amended from time to time read with respective rules, circulars and notifications made thereunder, and the Foreign Trade Policy in some of the foreign jurisdictions.

The income taxes paid by the Company's Branches in these overseas locations are availed as a tax credit in India in the income tax Return filed by the Company in accordance with the Indian Tax law or the provision of the Agreement for Avoidance of Double Taxation entered by the Government of India with that overseas country, as applicable.

The Company's Branches are not eligible for any special tax benefits under the Taxation laws except in few specific projects which are granted tax exemptions under the contract clauses read with Governments Convention / Treaty / Resolution for Development of that Region.

IV. Possible special Direct Tax benefits available to the shareholders of the Company

There is no special direct tax benefit available to the shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the ITA. Further, it may be noted that these are general tax benefits available to equity shareholders, other shareholders holding any other type of instrument are not covered below.

1. **Dividend Income**

- Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of resident shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case the shareholder is a domestic company, a deduction under Section 80M of the ITA could be availed on fulfilling the conditions as mentioned above.

- Separately, any dividend income received by the resident shareholders would be subject to tax deduction at source by the company under section 194 @ 10%. However, in the case of resident individual shareholders, this would apply only if dividend income exceeds INR 5,000. Any dividend income received by the non-resident shareholders would be subject to tax deduction at source by the company under section 195 of ITA @ 20% (plus applicable surcharge and cess).

- In case of dividend income [other than referred under section 2(22)(f) of the ITA], reported under the head "Income from other sources", shall be computed after making deduction of a sum paid by way of interest on the capital borrowed for the purpose of investment. However, no deduction shall be allowed from the dividend income, other than deduction on account of interest expense, and in any financial year such deduction shall not exceed 20% of the dividend income under section 57 of the ITA.

2. **Tax on Capital gains**

- As per section 2(29AA) read with section 2(42A) of the ITA, a listed equity share is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

  i. Long term capital gain:
  As per Section 112A of the ITA, long-term capital gains arising from transfer of equity shares shall be taxed at the rate of 12.5% of such capital gains (without indexation benefit and foreign currency fluctuations benefit) on or after 23 July 2024, subject payment of securities transaction tax on acquisition and transfer of equity shares of the company. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,25,000 in a financial year.

  ii. Short term capital gain:
  As per Section 111A of the ITA, short-term capital gains arising from transfer of listed equity share on or after 23 July 2024 shall be taxed at 20% subject to fulfillment of prescribed conditions under the ITA.

3. **For shareholders who are Foreign Institutional Investors/ Portfolio Investors (FII/FPIs)**

- The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPIs) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of section 115AD of the Act.
- Section 2(14) of the ITA defining capital asset, specifically includes any securities held by an FII which has invested in such securities in accordance with the SEBI Regulations.

- In accordance with and subject to the provisions of section 115AD r.w. 112A of the ITA, Long-term capital gains ("LTCG") on transfer of listed shares by FIIs on or after 23 July 2024 (subject to securities transaction tax), are chargeable to tax at 12.5% (plus applicable surcharge and cess) on income exceeding INR 1,25,000. The benefit of cost indexation and foreign currency fluctuations is not available.
- In accordance with and subject to the provisions of section 115AD r.w. 111A of the ITA, Short-term capital gains ("STCG") on transfer of listed shares by FIIs on or after 23 July 2024 (subject to securities transaction tax), are chargeable to tax at the rate of 20% (plus applicable surcharge and cess).
- Under section 196D(2) of the ITA, no deduction of tax at source will be made in respect of income by way of capital gains arising to FIIs from the transfer of securities referred in section 115AD of the ITA.

4. <u>For shareholders who are Investment Funds</u>

- Under section 10(23FBA) of the ITA, any income except for income under the head "Profits and Gains of Business/ Profession" of Investment Funds, registered as Category-I or Category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 is exempt from income tax, subject to conditions specified therein.
- As per section 115UB(1) of the ITA, any income accruing/arising/received by a person from his investment in the Investment Fund is taxable in the hands of such person in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly by him.
- Under section 115UB(4) of the ITA, the total income of an Investment Fund is charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.
- Further, as per section 115UB(6) of the ITA, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.
- Taxation of income of AIF Category III are governed by the other / normal provisions of the ITA.
- Investment Funds have withholding tax obligation under section 194LBB of the ITA while making distribution to its unitholders at the rate of 10% where the payee is resident and as per the rates in force under the ITA where payee is non-resident.

5. <u>Double Taxation Avoidance Agreement benefit:</u>

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfillment of other conditions to avail the treaty benefit. The non-resident shareholder shall be required to provide tax residency certificate, declaration of no permanent establishment in India and electronically filed Form 10F for respective assessment year in order to avail tax treaty benefits.

V. <u>Possible special Indirect Tax benefits available to the shareholders of the Company</u>

There are no special indirect tax benefits available to shareholders of the Company by virtue of their investment in the Company.

Notes:

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.
3. This Statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income -tax consequences that apply to them.
5. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

Statement of possible special tax benefits available to KEC Investments Holdings (Material Subsidiary) and its shareholders

Outlined below are the possible special tax benefits available to KEC Investments Holdings, incorporated in Republic of Mauritius, being the Material Subsidiary Company of KEC International Limited under the Taxation Laws of Mauritius. These possible special tax benefits are dependent on KEC Investments Holdings fulfilling the conditions prescribed under the various Mauritius Taxation Laws. Hence, the ability of KEC Investments Holdings Company to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill

KEC Investment Holdings is a private company, limited by shares and incorporated in the Republic of Mauritius on 02 August 2010 under the Mauritius Companies Act 2001. It has been granted a Global Business License by the Financial Services Commission. The principal activity of KEC Investments Holdings is that of investment holding activities.

1. **Special tax benefits available to KEC Investments Holdings under the Mauritius Tax Laws.**

   KEC Investments Holdings is subject to Mauritius income tax @15% as per Mauritius Income Tax Act. KEC Investments Holdings is eligible for Partial Exemption Regime upon which 80% of its income from foreign dividend and interest, if any is exempt from income tax subject to meeting prescribed conditions.

   For foreign sourced dividend income, KEC Investments Holdings may claim either the actual foreign tax suffered or 80% partial exemption. KEC Investments Holdings is exempt from Capital gains tax in Mauritius.

   KEC Investments Holdings does not have income-tax liability in Mauritius as it has suffered losses over the past many years and hence, has not availed the partial exemption stated above.

   KEC Investments Holdings doesn't have any VAT liability in the absence of any goods and services transactions. It is exempt from VAT on interest income and foreign dividends.

   KEC Investments Holdings investment is in USA does not enjoy any tax benefit as there is no DTAA between Mauritius and USA.

   Notes:

   1. We have not considered the general tax benefits available to KEC Investments Holdings.
   2. The above is as per the Mauritius Tax Laws as on date.
   3. The above Statement of possible special tax benefits sets out the provisions of Mauritius Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.

Statement of possible special tax benefits available to SAE Towers Holdings LLC (Material Subsidiary) and its shareholders

Outlined below are the possible special tax benefits available to SAE Towers Holdings LLC , a limited liability company organized under the laws of the state of Delaware, being a Material Subsidiary of KEC Investment Holdings which in turn is held by KEC International Limited under the Taxation Laws of USA. The principal activity of SAE Towers Holdings LLC is that of investment holding activities.

It is a holding company of various US and non-US companies in Brazil and Mexico which are specializing in design and manufacturing of steel lattice towers for high voltage power transmission lines as well as steel poles and tower hardware fittings. These possible special tax benefits are dependent on SAE Towers Holdings LLC fulfilling the conditions prescribed under the various US Taxation Laws. Hence, the ability of SAE Towers Holdings LLC to derive the possible special tax benefits are dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill

1. **<u>Special Tax benefits available to SAE Towers Holdings LLC in US under the US Tax Laws.</u>**

As per the US tax law, the single member LLC company is considered as "disregarded entity" by the US tax authorities for federal income-tax purpose, unless it opts for the corporation tax. SAE Towers Holdings LLC is not subjected to corporate income tax in Delaware, US as it is considered as a pass through entity and only the owner i.e. the shareholder is regarded as taxable person.

SAE Towers Holdings LLC doesn't have any other indirect tax obligations in US.

Notes:

1. We have not considered general tax benefits available to SAE Towers Holdings LLC.
2. The above is as per the US Tax Laws as on date.
3. The above Statement of possible special tax benefits sets out the provisions of US Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.

For KEC International limited

Name: Mr. Rajeev Aggarwal
Designation: Chief Financial Officer
Place: Mumbai
Date: September 24, 2024

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, including those which arise in the ordinary course of business. These legal proceedings may primarily be in the nature of, amongst others, tax disputes, criminal proceedings, regulatory actions and civil proceedings, arbitration proceedings, commercial proceedings, which are pending before various adjudicating forums within India.

*Except as disclosed in this section, there is no outstanding legal proceeding which has been considered material in accordance with our Company's "Policy for Determination of Material / Price Sensitive Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated January 04, 2016 and further revised pursuant to the Board resolution dated August 03, 2024 ("**Materiality Policy**"). The SEBI ICDR Regulations mandate legal proceedings to be disclosed in accordance with the materiality policy framed under the SEBI Listing Regulations. Accordingly, all outstanding civil proceedings individually involving (which includes cases filed by and against) our Company, Subsidiaries and Promoter, where the amount involved exceeds 5.00% of average absolute value of profit or loss after tax in Fiscals 2022, 2023 and 2024, which is equivalent to ₹ 14.25* crores *or above ("**Materiality Threshold**") shall be considered material and shall be disclosed in this Preliminary Placement Document. Further, all outstanding civil proceedings involving our Directors (which includes cases filed by and against) an adverse outcome of which could materially and adversely affect the reputation, operations, business, prospects or financial position of the Company shall be considered material and will be disclosed individually. The Materiality Threshold was approved by our Committee of Directors pursuant to its resolution dated September 24, 2024.*

In addition to disclosing the cases above Materiality Threshold involving our Company, Promoter, Directors and Subsidiaries, our Company has also disclosed in this section, solely for the purpose of the Issue, the following outstanding legal proceedings, to the extent applicable: (i) all outstanding criminal proceedings involving our Company, our Subsidiaries, our Promoter and our Directors; (ii) all outstanding actions initiated (including any show-cause notices received) by any regulatory and/ or statutory authorities such as SEBI or such similar authorities or stock exchanges, involving our Company, our Subsidiaries, our Promoter and our Directors; (iii) consolidated disclosure of all outstanding tax (direct and indirect) proceedings (including show cause notices) involving our Company, our Directors, our Promoter and our Subsidiaries; (iv) any other outstanding litigation involving our Company, our Directors, our Promoter and our Subsidiaries wherein the aggregate amount involved is not quantifiable, but which, in view of our Company, could have a material adverse effect on the business or operations or prospects, reputation or financial position of our Company.

Further, except as disclosed below and in the other sections of this Preliminary Placement Document, as on the date of this Preliminary Placement Document, (i) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last three years immediately preceding the year of issue of this Preliminary 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 Preliminary Placement Document, as applicable, for our Company and Subsidiaries; (ii) there are no material frauds committed against our Company in the last three years; (iii) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (iv) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, on a consolidated basis; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there is no litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by any ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action; and (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, Directors, Promoter and our Subsidiaries from third parties (excluding those notices issued by statutory / regulatory / governmental authorities) shall not be considered as litigation proceedings till such time that any of our Company or our Subsidiaries have been impleaded as a defendant or respondent any such litigation proceedings before any judicial forum or arbitral tribunal.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Outstanding criminal proceedings initiated against our Company

1. Colours Enterprises ("**Complainant**") has filed a criminal complaint ("**Criminal Complaint**") before the Court of the Additional Chief Judicial Magistrate, Raghunathpur, West Bengal ("**ACJM Court**") against our Company, amongst others under Sections 406, 418 and 420, read with Section 120B of the Indian Penal Code, 1860. The Complainant was a sub-contractor engaged by Namco Minerals and Metals Private Limited ("**Contractor**") for the Gidhni Railway Project. The Complainant raised invoices amounting to ₹ 0.25 crores of which ₹ 0.06 crores were paid by our Company, through the Contractor. The Complainant claims non-payment of the remaining ₹ 0.2 crores payable by the Company as per the contractual agreement. In view of the Criminal Complaint, our Company has filed a revisional application before the Calcutta High Court ("**High Court**") claiming that the civil dispute matter for non-payment of dues has been given the cloak of criminal proceedings for the purpose of invoking the jurisdiction of the ACJM Court. The High Court has passed an order staying all further proceedings relating to the Criminal Complaint before the ACJM Court till June 30, 2024, which has been extended till November 30, 2024. The matter is presently pending.

2. Ravindra Kumar Soni has filed a complaint against our Company before the XV Additional District Session Judge, District Court, Gwalior ("**Court**"). Our Company has been served a summon dated September 13, 2024 to appear before the Court on September 18, 2024. The matter is presently pending before the Court.

Outstanding criminal proceedings initiated by our Company

1. Our Company ("**Petitioner**") has filed a revisional petition against state of West Bengal and HV and EHV Cable Terminators (together the "**Respondents**") before the Calcutta High Court ("**Court**") upon receiving notices under Section 41A of the Code of Criminal Procedure, 1973 ("**CrPC**") from the Newtownship Police Station, Asansol-Durgapur, addressed to two of our employees, Dhiraj Vashist, general manager, and Somen Thakur, senior manager, in connection with a criminal complaint lodged by HV and EHV Cable Terminators ("**Sub-Contractor**"). The complaint alleged cheating, criminal conspiracy, and breach of trust due to the alleged non-payment of dues in the projects of OCL Iron & Steel Limited, Kahalgaon Super Thermal Power Project (NTPC Limited), WBSETCL-Prantik, and WBSETCL-Purulia. The Sub-Contractor had lodged the complaint against certain employees of our Company alleging that our Company defrauded them of ₹ 1.66 crores. According to our records, however, only ₹ 0.23 crores are due to the Sub-Contractor. The Sub-Contractor has refused to settle the dispute. Consequently, our Company, along with the two employees who received police notices, filed a petition under Section 482 of the CrPC before the High Court of Calcutta seeking to quash the first information report. The High Court has passed a stay order against taking of any coercive action till March 31, 2024, which has been continued till November 30, 2024. The matter is pending before the Court.
2. Our Company has filed six cases under Section 138 of the Negotiable Instruments Act amounting to ₹0.98 crores against various parties in relation to default in payments of contracts awarded by our Company. The cases are pending before various forums.

B. Material outstanding civil proceedings involving our Company

Outstanding material civil proceedings initiated against our Company

1. The J&K Power Development Department ("**Petitioner**") filed a petition before the High Court of Jammu and Kashmir and Ladakh, at Jammu ("**High Court**") under Section 34 of the Jammu and Kashmir Arbitration and Conciliation Act, 1997 against the awards passed on July 18, 2023 by the arbitral tribunal ("**the Tribunal**"). The Petitioner had invited tenders relating to laying of cables and the construction of grid stations to which our Company bid and was thereon awarded the contract for the said projects on

turnkey basis, and a fixed sum of ₹ 15.47 crores for the entire scope of work, which was not to vary except on account of works contract tax, which shall be borne by the Petitioner. The Petitioner deducted and retained an amount of ₹ 0.58 crores, aggregating from all the contracts so entered, on the pretext of alleged differential in excise duty and central sales tax rates and works contract tax and other grounds. The parties resorted to arbitration to resolve the matter. The tribunal passed an interim award dated March 6, 2016 ("**Interim Award**") in favour of our Company for an amount of ₹13.96 crores, which the Petitioner failed to oblige to. Our Company approached the High Court on February 13, 2019 to initiate contempt proceedings against the Petitioner for non-adherence to the execution petitions filed for deposit of the Interim Award, whereby the High Court on July 19, 2019 ordered the Petitioner to pay a sum of ₹ 21.36 crores including interest, of which an amount of ₹0.50 crores is receivable till date for additional interest. The Tribunal passed an award on July 18, 2023 in favour of our Company for ₹26.68 crores as residue award, in aggregate, including interest ("**Arbitration Award**"). The Petitioner approached the High Court challenging the Arbitration Award passed by the Tribunal under section 34 of the Arbitration and Conciliation Act, claiming that the awards passed by the Tribunal were perverse and against the public policy, and that the claims preferred by our Company before the Tribunal were prohibited by the contract itself executed between the parties. The High Court admitted the petition and *vide* its orders dated February 12, 2024 and stayed the award till March 18, 2024. Post the period of stay the proceedings were resumed and the matter is presently pending.

Outstanding material civil proceedings initiated by our Company

1. Our Company ("**Claimant**") entered into a contract for the execution of a solar project, following which Clean Solar Power (Bhadla) Private Limited ("**Respondent**") raised performance-related issues during the defects notification period, alleging deficiencies in low tension panels and civil works. Despite the Company having replaced several low tension panels and completed the punch list items, with a commissioning certificate dated June 2, 2020 being issued, the Respondent failed to release retention amounts, pending invoices, cost claims, and bank guarantee amounts invoked, along with interest, citing Company's alleged non-performance. In response, the Company filed a petition under Section 9 of Arbitration and Conciliation Act, 1996 seeking an injunction to prevent the sale of the project and/or requiring the Respondent to furnish bank guarantee security for the recovery of ₹ 9.20 crores due as of May 15, 2023, along with interest at 18% per annum until the disposal of the petition. The petition was disposed off, pursuant to which the present petition has been filed under Section 17 of the Arbitration and Conciliation Act, 1996. Subsequently, our Company filed a statement of claim before the arbitrator for an amount of ₹ 10.96 crores, while the Respondent submitted a counterclaim for ₹ 97.08 crores in aggregate in the ongoing arbitration proceedings.

2. Our Company ("**Petitioner**") has filed an application against Nehra Construction Company ("**Respondent**") before the High Court of New Delhi ("**Court**"). Rail Vikas Nigam Limited ("**RVNL**") awarded a contract to the Petitioner for railway electrification signalling and telecommunication works and doubling of track between Hadiaya (excluding) and Bhatinda in Ambala Division of Northern Railway, Punjab ("**Project**"). The Petitioner subcontracted the part of project the Respondent for earthwork in formation from Bhuchchu to Bhatinda Railway Track and a service order amounting to ₹ 15.20 crores was provided to the Respondent by the Petitioner. Despite timely handover of the site, the Respondent failed to seek the required permissions promptly, causing delays. The Petitioner intervened to expedite approvals, but the Respondent continued to delay the project despite several reminders. Consequently, the Petitioner cancelled the service order with the Respondent. The dispute was brought before the Court, pursuant to which a sole arbitrator was appointed. The arbitrator passed an award in favour of the Respondent, directing the Petitioner to pay ₹ 1.1 crores with 9% p.a. interest from the date of it being due till realization, arbitration fees/litigation charges of ₹ 0.05 crores, and ₹ 0.25 crores in damages for wrongful termination of the contract. The Petitioner challenged this award seeking that the arbitral order be set aside, pursuant to which the Court, on July 4, 2024, stayed the award until the next hearing. The matter is currently pending.

3. Our Company ("**Petitioner**") has filed an application against Confidence Steel Limited (now known as Confidence Infrastructure Limited) ("**Respondent**"), before the High Court of Bangladesh ("**Court**"). The Power Grid Company of Bangladesh ("**PGCB**") awarded a contract to the Petitioner for the design, supply, erection, testing, and commissioning of the 400 kV Ashuganj-Bhulta Transmission Line on a turnkey basis. Subsequently, the Petitioner entered into a contract agreement with the Respondent for the supply of steel transmission towers. PGCB later claimed a negative price variation ("**PV**") from the Petitioner concerning the towers and conductors. In response, the Petitioner, having a back-to-back

agreement with CSL, claimed a negative PV amounting to $ 4,967,562.37 from the Respondent for the towers supplied. The Respondent refused to pay the negative PV, contending that they were not liable for it. As a result, the Petitioner issued an arbitration notice to the Respondent. The Petitioner initiated arbitration before the Arbitral Tribunal in Dhaka, Bangladesh, against the Respondent. The Respondent filed an application under Section 17 of the Arbitration Act, 2001, challenging the existence of a valid arbitration agreement between the parties. The Arbitral Tribunal rejected Respondent's application. Respondent challenged the Arbitral Tribunal's decision before the Court by filing arbitration application No. 22 of 2023 under Section 20(1) of the Arbitration Act, 2001. The Court, by its order dated November 26, 2023, stayed the arbitration proceedings for two months. Consequently, the Petitioner filed Civil Petition before the Supreme Court of Bangladesh. On January 29, 2024, the Supreme Court of Bangladesh heard the matter and, without staying the operation of the High Court Division's judgment and order dated November 26, 2023, directed the Company Bench of the High Court Division to dispose of the matter within one month. The matter is currently pending before the Court for further hearing.

4. On August 21, 1991, our Company ("**Complainant**"), was awarded a contract against Tender No. DESU/400KVTL/019/119 in acceptance of its offer on January 2, 1990, by Delhi Transco Limited ("**Respondent**"). The contract was for supply, erection, testing and commissioning of 400KV Double Circuit ("**DC**") Transmission line from Mandaula to Bawana to Bamnauli to Ballabhagarh forming Delhi ring main project. Later on, the scope and volume of work was enhanced by the Respondent. Moreover, the foundation of four special towers which were not a part of the scope of work allotted to our Company, were allotted to some other contractor. Our Company faced several hinderances in the due course of the project due to delays by the Respondent which led to numerous losses. Thereby leading to disputes between the parties with respect to idling and escalation costs due to delayed project completion. The matter was put before the arbitral tribunal and the arbitral tribunal through an award dated January 29, 2015 awarded the Company ₹ 14.48 crores and interest thereon. The Respondent filled section 34 in the Delhi High Court for setting aside the award, which was dismissed. Against the dismissal, DTL filed appeal under section 37 in the Delhi High Court which is pending. However, no stay was granted. Consequently, KEC filled an Execution Petition in the Delhi High Court, which directed the Respondent to deposit a sum of ₹ 27.82 crores being the arbitration award amount and interest thereon. Upon application filed by the Company, an amount of ₹ 27.59 crores was released in favour of Company, on submission of bank guarantee of equivalent amount pending disposal of the appeal filed by Respondent.

5. Our Company has initiated six Execution Petitions against Jammu & Kashmir Power Development Departments ("**Respondent**") under Section 36 of the Arbitration and Conciliation Act 1996 read with Order 21 Rule 11 of the Code of Civil Procedure for execution of the Awards dated 18.07.2023 in respect of six contracts which were awarded by the Respondent to our Company, in six arbitration proceeding in which the Company was awarded ₹ 26.18 crores in aggregate by the arbitration tribunal together with interest (as on 18.2.2024). Our Company has also filed applications seeking deposit of the arbitration award amount together with interest. The execution petitions and the applications seeking deposit by Respondent is pending before the Jammu High Court ("**Court**"). The matter is pending before the Court.

6. Madhya Kshetra Vidyut Vitaran Company Limited, Bhopal (MPMKVVCL) ("**Respondent**"), under the Rajiv Gandhi Grameen Vidyutikaran Yojana for rural electrification, had awarded KEC International Limited ("**Petitioner**") the contract, for supply and erection, and an agreement was executed between the parties on November 26, 2009 for supply, erection, testing and commissioning of the low tension lines and distribution substations in Morena District. As per the erection contract, the contact was for 18 months and valued at ₹ 11.64 Cr. However, the same was revised to ₹ 14.24 crores vide revised award of contract bearing letter No. CMD/MK/02/Project/1991 dated January 2, 2012. As per the revised letter of award, the project was enlarged and was to be completed by March 31, 2012. The erstwhile letter of award had a mention about the advance payment to the tune of 15% of accepted contract value by the Respondent. However, the payment by the Respondent got delayed by two and half months, which consequently affected the commencement of work by the Petitioner. Nevertheless, the Petitioner had started performing its obligations, but the progress of work was hindered due to several unforeseen circumstances and right of way issues. Subsequently, the contract was terminated by the Respondent on November 23, 2013 and the bank guarantee under the contract was also invoked. Despite, the efforts by the Petitioner to resolve the issue the Petitioner failed. Subsequently, the Respondent rejected the proposal and served a letter dated February 9, 2016 seeking the deposit of ₹ 19.97 crores as a balance liability from the Petitioner. After various failures and simultaneous reading of the letter of award, the Petitioner requested for appointment of an Arbitrator. The failure of the Respondent to respond to the letter compelled the Petitioner to file a petition under Section 11(6) of the Arbitration and Conciliation

Act 1996 before the High Court of Madhya Pradesh. The same was disposed off and by directing the Petitioner to approach the appropriate forum, i.e., the M.P. State Arbitration Tribunal ("**Tribunal**") constituted under the MP Arbitration Act. Pursuant to the order, the Arbitration cases were heard in 2019. The proceedings are in progress and the matter is pending before the Tribunal.

7. Our Company's Bangladesh branch has filed an appeal at the Customs, Excise and VAT Appellate Tribunal, against the Customs, Excise and VAT Commissionerate, Dhaka (South) (Commissioner) ("**Respondent**") demanding amount of ₹ 82 crores from July 2017 to June 2022. The Respondent had raised a demand of BDT 1,166 Million (₹ 82 crore) on May 9, 2024 due to alleged mismatch between VAT return and Financials. Our Company has filed writ petition on June 9, 2024 before the high court (special original jurisdiction) in Bangladesh. The high court had passed an order for staying part of the demand and directed the Company to file an appeal before tribunal. The Company has then filed an appeal before appellate tribunal for both the orders on July 30, 2024 with applicable pre-depositing.

8. In connection with the Nagpur-Amla and Pune-Miraj projects, our Company in joint venture with Mehrotra Buildcon Pvt. Ltd. ("**MBPL**") (collectively referred to as the "**Claimant**"), has filed two commercial arbitration applications against Maharashtra Rail Infrastructure Development Corporation Limited ("**MRIDCL**") before the High Court of Bombay. For the Nagpur-Amla project, the Claimant has made claims amounting to ₹102 crores. The Claimant invoked arbitration through a notice dated March 14, 2024, to which MRIDCL denied the claims, asserting that no disputes exist. Consequently, the Claimant has filed a petition under Section 11 of the Arbitration and Conciliation Act, 1996, before the High Court of Bombay, seeking the appointment of an arbitrator. Similarly, for the Pune-Miraj project, the Claimant has made claims amounting to ₹93.57 crores. Arbitration was invoked through a notice dated April 3, 2024, to which MRIDCL similarly denied the existence of any disputes. In response, the Claimant has also filed a Section 11 petition before the High Court of Bombay, seeking the appointment of an arbitrator to resolve the disputes related to the Pune-Miraj project.

9. Our Company ("**Complainant**"), was awarded a project by Chief Engineer Central Railway ("**Central Railway**") on August 12, 2022, under a letter of acceptance, with the contractual requirement that the project be commissioned within 33 months from the date of issuance of the letter of acceptance. However, the project experienced significant delays due to reasons beyond the control of the Company, which were solely attributable to the authority. As a result, the Company incurred substantial cost and time overruns. In light of these developments, the Company invoked reference under the contract, and a standing arbitral tribunal has been constituted by the employer to adjudicate the disputes. The claim amount asserted by the Company in this arbitration proceeding is ₹122.85 crores.

C. Actions taken by regulatory and statutory authorities involving our Company

1. Our Company has received a notice from the Directorate of Enforcement ("**ED**"), dated November 15, 2022 ("**ED Letter**"), under Section 37 of the Foreign Exchange Management Act, 1999 read with Section 136(6) of the Income-tax Act, 1961. The ED in the ED Letter had asked for certain documents such as PAN, Aadhar and Passport of our directors, details of bank accounts maintained by in the name of M/s KEC International Limited ("**Company Accounts**"), details of foreign outward/inward remittances made since April 1, 2002 till date of the ED Letter, along with its purpose, in respect of the Company Accounts, and details of imports and exports made against receipts of advance for exports and exports against which payment was not received by the Company since April 1, 2002 till date of the ED Letter. Our Company has submitted details required vide letter dated November 28, 2022. We have not received any further communication in the matter.

2. Our Company has received a summon from the Directorate of Enforcement ("**ED**") dated July 3, 2024, under Section 37(1) and (3) of the Foreign Exchange Management Act, 1999 read with Section 131(1) of the Income Tax Act, 1961 and Section 30 of the Civil Procedure Code, 1908. The ED had asked for certain documents such as PAN, DIN and communication details of our present and past directors, details of all bank accounts held in the name of our Company and its directors/partners/proprietor along with their account statements, details regarding remittances made by the Company during the period 2016-24 for the purpose of import/freight on import since incorporation, details regarding inward remittance received by the firm during the period 2003-24 against export since incorporation and details of foreign funds remitted, other than value of imports/exports, foreign ventures/assets of the Company and details of funds raised abroad by the Company, if any. Pursuant to receipt of the summon, we filed our first reply on July 8, 2024 requesting for time to consolidate and submit the relevant details. Further,

on September 12, 2024, we submitted details of our total outstanding bills as on August 31, 2024 and a brief note on the business model of our Company. The matter is currently pending.

I. Litigation involving our Subsidiaries

A. Criminal proceedings involving our Subsidiaries

Outstanding criminal proceedings initiated against our Subsidiaries

Nil

Outstanding criminal proceedings initiated by our Subsidiaries

Nil

B. Material civil litigation involving our Subsidiaries

Outstanding material civil proceedings initiated against our Subsidiaries

1. Sadesul Projectos E Construcoes Ltda.("**Complainant**") filed the lawsuit to claim damages against our subsidiary SAE Towers ("**Respondent**") related to the Service Agreement for the Installation of Conductive Cables and Lightning Rods executed by the parties on March 04, 2021 agreement. The Complainant alleged that the services could not be provided due to the Respondent's fault and, therefore, claimed (i) R$ 4.424.993,42 in order to reestablish the economic-financial balance of the agreement (ii) and R$ 5.065.605,60 due to the early termination of the agreement. The total claim against the Respondent amounting of R$ 9490599.02 (₹14.16 crores). In its defense, The Respondent has filed a counterclaim requesting that it be recognized that Complainant itself has caused the termination of the contract and that the Complainant be ordered to pay the penalties for breach of contract, environmental damages, and delays in the project, as stipulated in under the contract, and refund part of the amount advanced and compensate for the damages caused by the poor performance of services. The amount involved in the counterclaim issued by the Respondent is R$ 2,479,228.59. The matter is pending before the court.

Outstanding material civil initiated by our Subsidiaries

1. Our subsidiary, SAE Tower Brasil Torres de Transmissão Ltda.("**Petitioner**") has filed a request for judicial recovery of the companies Abengoa Construção Brasil Ltda., Abengoa Concessões Brasil Holding S.A. and Abengoa Greenfield Brasil Holding S.A. ("**Abengoas**"). The Petitioner was qualified as an unsecured creditor and adhered to the judicial reorganization plan as a partner creditor, under the terms of the plan support agreement. The claim filed by the Petitioner amounted to R$57,673,507.76 (₹88.85 crores), which was later reduced to R$47,278,016.96 (₹71.69 crores), of which the Petitioner agreed to receive part of the credit through the return of goods and equipment, totaling R$ 7,735,854.84. The credits that were not written off due to the agreed restitution will still be owed according to the terms and conditions and will be directly claimable after 2 years. Any breach of obligation by the Abengoas after the two-year period will entitle the Petitioner to initiate collection or individual enforcement of their rights. The matter is pending.

C. Actions taken by regulatory and statutory authorities involving our Subsidiaries

Nil

II. Litigation involving our Promoter

A. Criminal proceedings involving our Promoter

Outstanding criminal proceedings initiated against our Promoter

1. Laxmi Narayan Mehta, Kreshlal Kewat and Sapan Kumar Bose have filed a criminal complaint under Section 200 of the Code of Criminal Procedure, 1973 ("**CrPC**") read with Sections 409, 420 and 467 of the Indian Penal Code, 1860, before the Judicial Magistrate First Division, Jabalpur against Harsh

Vardhan Goenka and certain other directors and employees of the erstwhile entity, RPG Transmission Limited (*an entity merged with our company*) alleging misappropriation of the funds which were deducted from the salaries of the employees for the purpose of group insurance in the name of superannuation. The Court has directed investigation under Section 202 of the CrPC to be conducted by Panagar Police Station and the police authority was required to file the investigation report to the magistrate stating whether a case is made out or not. The police have filed their investigation reports which states that there is no substance in the complaint, and it appears that the complaint was false. The matter is presently pending before the Court.

For further details in relation to outstanding criminal proceedings initiated against our Promoter, please refer to " – *Outstanding criminal proceedings initiated against our Company*"

Outstanding criminal proceedings initiated by our Promoter

Nil

B. Material civil litigation involving our Promoter

Outstanding civil proceedings initiated against our Promoter

Nil

Outstanding civil proceedings initiated by our Promoter

Nil

C. Actions taken by regulatory and statutory authorities involving our Promoter

Nil

III. Litigation involving our Directors

A. Criminal proceedings involving our Directors

Outstanding criminal proceedings initiated against our Directors

For details in relation to outstanding criminal proceedings initiated against our Directors, please refer to " – *Outstanding criminal proceedings initiated against our Company*" and "- *Outstanding criminal proceedings initiated against our Promoter"*

Outstanding criminal proceedings initiated by our Directors

1. Vimal Kejriwal, R.D. Chandak and Randeep Narang (collectively referred to as "**Petitioners**") filed a criminal complaint against the State of Chhattisgarh through the Labour Sub-Inspector, Labour Department, Surajpur, District Surajpur, Chhattisgarh ("**Respondent**"). The matter arose from a show-cause notice issued on February 18, 2015, by the Respondent, Surajpur, alleging non-filing of annual returns under Form-III, as mandated by rule 21(4-A) of the Minimum Wages (Central) Rules, 1950, for the year 2013. Subsequently, the Respondent filed a complaint on April 24, 2015 before the learned judicial magistrate first class, Ambikapur, Chhattisgarh. The summons was issued pursuant to the filing of the complaint, but the Petitioners were only served on December 3, 2018. An application under Section 317 of the CrPC, seeking exemption from personal appearance, was submitted and accepted by the judicial magistrate first class in principle, yet the court directed the personal appearance of the accused on the subsequent hearing date, February 2, 2019, while imposing a bail bond of ₹5,000/- for each accused. The Petitioners thereafter approached the High Court of Chhattisgarh, Bilaspur, under Section 482 of the CrPC, seeking quashing of the summons. The High Court granted a stay on the proceedings, noting that the complaint had failed to array the company itself as a party and lacked specific averments regarding the involvement of the accused in the day-to-day management of the company. The matter is currently pending before the High Court for adjudication on merits.

B. Material civil litigation involving our Directors

Outstanding civil proceedings initiated against our Directors

Nil

Outstanding civil proceedings initiated by our Directors

Nil

C. Actions taken by regulatory and statutory authorities involving our Directors

1. A petition has been filed by Serious Fraud Investigation Office, Ministry of Corporate Office ("**SFIO**") before the City Civil and Sessions Court, Mumbai against IL&FS Financial Services Limited ("**IFSL**") its directors and auditors including Neera Saggi, in her capacity as a former non-executive independent director of IFSL. The Government of India had ordered an investigation under Section 212 of the Companies Act, 2013 by Serious Fraud Investigation Office, under Ministry of Corporate Affairs, into the affairs of IL&FS Financial Services Limited. Based on the reports of Serious Fraud Investigation Office, the petition was filed naming IL&FS Financial, its directors and auditors in the petition. It is alleged that the accused had acted fraudulently with intent to injure the interests of the Company, its shareholders, its creditors resulting in wrongful loss to the Company. It is also alleged that the accused deliberately presented false deceptive and misleading statements with a view to obtain credit facilities from banks and financial institutions. Based on the report by SFIO and direction issued by Ministry of Corporate Affairs, the above company petition was filed by SFIO against IFSL, other directors and auditors of IFSL, including Neera Saggi before Additional Sessions Judge cum-Special Judge, Greater Mumbai in the abovementioned matter for alleged offences under Companies Act, 2013, Companies Act, 1956 and Indian Penal Code, 1860. The City Civil and Sessions Court, Mumbai has taken cognizance of the alleged offence and issued summons to IFSL, directors and auditors of IFSL and Neera Saggi. The matter is presently pending.

   Further, Neera Saggi has also filed a writ petition before the Bombay High Court for quashing of the order of the City Civil and Sessions Court, Mumbai and the summons. The writ petition is pending adjudication before Bombay High Court. Further, the Bombay High Court vide its order dated December 20, 2023 has exempted Neera Saggi from appearing in the proceedings before the City Civil and Sessions Court, Mumbai.

IV. Other outstanding litigation involving our Company, Promoter, Directors and Subsidiaries wherein the aggregated amount involved is not quantifiable, but which could have a material adverse effect on the business and operations of our Company

Nil

V. Tax proceedings involving our Company, our Promoter, our Directors and our Subsidiaries

We have set out below claims relating to direct and indirect taxes involving our Company, Promoter, Directors and our Subsidiaries, as on the date of this Preliminary Placement Document, giving details of number of cases and total amount involved in all such claims:

Nature of proceedings	Number of outstanding proceedings	Amount involved (in ₹ crore)*
Company		
Direct tax	48	157.65
Indirect tax	152	676.86
Promoter		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Directors		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Subsidiaries		

Nature of proceedings	Number of outstanding proceedings	Amount involved (in ₹ crore)*
Direct tax	5	1.40
Indirect tax	61	42.18

* *To the extent quantifiable*

VI. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries.

VII. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There are no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

VIII. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

IX. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon by our Company, on a consolidated basis

As on the date of this Preliminary Placement Document, our Company, on a consolidated basis, has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

X. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Preliminary Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

XI. Litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoter during the last three years

There is no litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoter during the last three years preceding the date of this Preliminary Placement Document.

STATUTORY AUDITORS

In terms of the provisions of Sections 139, 142 and other applicable provisions of the Companies Act read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Price Waterhouse Chartered Accountants LLP, were re-appointed as the Statutory Auditors of our Company pursuant to a resolution adopted by our Shareholders dated June 30, 2022.

The Audited Consolidated Financial Statements for Fiscals 2022, 2023 and 2024 have been audited by our Statutory Auditors.

The Unaudited Consolidated Financials Results for the three months ended June 30, 2024 and June 30, 2023 have been subject to limited review by our Statutory Auditors.

The peer review certificate of our Statutory Auditors is valid as of the date of this Preliminary Placement Document.

GENERAL INFORMATION

1. Our Company was originally incorporated on March 18, 2005, under the Companies Act, 1956 as KEC Infrastructures Limited, pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. The name of our Company was changed to KEC International Limited pursuant to a fresh certificate of incorporation consequent to change of name issued by the Registrar of Companies, Maharashtra at Mumbai on January 9, 2006.

2. Our Equity Shares have been listed on BSE and NSE since March 10, 2006.

3. The Registered and Corporate Office of our Company was changed from CEAT Mahal, 1st Floor, 463, Dr. Annie Besant Road, Worli, Mumbai – 400030 to RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400030 with effect from November 03, 2010.

4. The CIN of our Company is L45200MH2005PLC152061.

5. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE and NSE, each dated September 24, 2024, under Regulation 28(1) of the SEBI Listing Regulations.

6. The website of our Company is www.kecrpg.com.

7. The authorised share capital of our Company comprises 57,00,00,000 Equity Shares of face value of ₹ 2 each aggregating to ₹ 1,14,00,00,000 and 15,00,000 Redeemable Preference Shares of ₹ 100 each aggregating to ₹ 15,00,00,000. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up share capital of our Company is ₹ 51,41,76,740 comprising 25,70,88,370 Equity Shares of face value of ₹ 2 each. For further details, please refer to the section titled "*Capital Structure*" on page 86.

8. The Issue was authorised and approved by the Board pursuant to the resolution dated July 26, 2024 and by our Shareholders' pursuant to the special resolution passed at the annual general meeting held on August 22, 2024.

9. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited, 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. 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.

10. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office.

11. Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

12. Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since March 31, 2024, the last date of the Audited Consolidated Financial Statements prepared in accordance with applicable accounting standards included in this Preliminary Placement Document.

13. Except as disclosed in this Preliminary 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, please refer to the section titled "*Legal Proceedings*" on page 278.

14. The Issue will not result in a change in control of our Company.

15. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

16. The Floor Price is ₹ 976.64 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board resolution dated July 26, 2024, and a special resolution passed by our Shareholders at the annual general meeting held on August 22, 2024 and Regulation 176(1) of the SEBI ICDR Regulations.

17. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary 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.

18. Suraj Eksambekar is the Company Secretary and Compliance Officer of our Company. His details are as follows:

    Suraj Eksambekar
    Address: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
    Telephone: +91 22 6667 0200
    E-mail: eksambekars@kecrpg.com

FINANCIAL INFORMATION

Price Waterhouse Chartered Accountants LLP

To
The Board of Directors
KEC International Limited
RPG House, 463,
Dr. Annie Besant Road,
Worli, Mumbai 400 030

1. We have reviewed the consolidated unaudited financial results of KEC International Limited (the "Parent"), which includes 39 branches, 34 jointly controlled operations consolidated on a proportionate basis and its 16 subsidiaries (the Parent, its branches, jointly controlled operations and its subsidiaries hereinafter referred to as the "Group") (refer Annexure A), for the quarter ended June 30, 2024 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2024' (the "Statement"). The Statement has been prepared by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been digitally signed by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been 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. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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 SEBI under Regulation 33(8) of the Listing Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following branches, jointly controlled operations and subsidiaries listed in Annexure A.

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 branch auditors and other auditors referred to in paragraph 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 5 of the Statement, regarding the Parent's net exposure of Rs. 172 crores (including exposure of Afghanistan branch), from its transmission line projects in Afghanistan as at June 30, 2024, which are kept on hold due to Force Majeure event and as per management, the probability of resumption of work is considered as remote. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies.

   Our conclusion is not modified in respect of this matter.

7. We did not review the interim financial information of 39 branches and 34 jointly controlled operations consolidated on proportionate basis included in the Statement, whose interim financial information reflect total revenues of Rs. 802 crores, loss after tax (net) of Rs. 17 crores and total comprehensive loss (comprising of loss and other comprehensive income (net)) of Rs. 17 crores for the quarter ended June 30, 2024, as considered in the respective interim financial information of the branches and jointly controlled operations included in the Group. The interim financial information of these branches and jointly controlled operations have been reviewed by the branch auditors and other auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches and jointly controlled operations, is based solely on the reports of such branch auditors and other auditors, who carried out their review and issued their unmodified conclusion vide their reports as provided to us by the Management and the procedures performed by us as stated in paragraph 3 above.

   We did not review the interim financial information of 16 subsidiaries included in the Statement, whose interim financial information reflect total revenues of Rs. 837 crores, net profit after tax (net) of Rs. 55 crores and total comprehensive income (comprising of profit after tax (net) and other comprehensive loss (net)) of Rs. 47 crores, for the quarter ended June 30, 2024, as considered in the Statement. These interim financial information have been reviewed by other auditors and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by the 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.

8. The interim financial information of 3 branches, 1 jointly controlled operation and 4 subsidiaries located outside India, included in the consolidated unaudited financial results, which constitute total revenues of Rs. 326 crores, profit after tax (net) of Rs. 24 crores, total comprehensive income (comprising of profit after tax (net) and other comprehensive income (net)) of Rs. 26 crores for the quarter ended June 30, 2024, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been reviewed by branch auditors and other auditors under review standards applicable in their respective countries. The Parent Company's management has converted the interim financial information of such branches, jointly controlled operation and subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent Company's Management. Our conclusion in so far as it relates to the balances and affairs of such branches, jointly controlled operation and subsidiaries located outside India, is based on the reports of such branch auditors and other auditors. Material uncertainty related to going concern has been reported by one jointly controlled operation, which currently has no trading activity. This is not material in relation to the operations of the Group.

9. Our conclusion on the consolidated unaudited financial results is not modified in respect of the matters stated in paragraph 7 and 8 above with respect to our reliance on the work done and the reports of the branch auditors and other auditors.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sumit Seth
Partner
Membership Number: 105869
UDIN: 24105869BKFWUV3839

Place: Mumbai
Date: July 26, 2024

Annexure A

List of Branches: Abu Dhabi, Afghanistan, Algeria, Bangladesh, Benin, Burkina Faso, Bhutan, Burundi, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Libya, Malaysia, Mali, Moldova, Mozambique, Morocco, Nepal, Nigeria, Oman, Papua New Guinea, Philippines, Srilanka, Sierra Leone, Senegal, South Africa, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia

List of Jointly Controlled Operations consolidated:

Sr No.	Jointly Controlled Operations
1	Al-Sharif Group and KEC Ltd Company, Saudi Arabia
2	EJP KEC Joint Venture, South Africa
3	KEC-ASIAKOM- UB JV
4	KEC-ASIAKOM JV
5	KEC-DELCO-VARAHA JV
6	KEC-VARAHA-KHAZANA JV
7	KEC-VALECHA-DELCO JV
8	KEC-SIDHARTH JV
9	KEC-TRIVENI-KPIPL-JV
10	KEC-UNIVERSAL-JV
11	KEC-DELCO-DUSTAN-JV
12	KEC-ANPR-KPIPL JV
13	KEC-PLR-KPIPL JV
14	KEC-BJCL JV
15	KEC-KIEL JV
16	KEC-ABEPL JV
17	KEC-TNR INFRA JV
18	KEC-SMC JV
19	KEC-WATERLEAU JV
20	KEC-ASSB JV
21	KEC-CCECC (Railway) RRTS
22	KEC-CCECC (Civil) Kochi Metro
23	CCECC KEC JV (Civil) Delhi Metro
24	Longjian KEC JV
25	MBPL - KEC JV
26	VNC KEC JV (Railway)
27	HCC - KEC Consortium
28	KEC-VNC Consortium
29	KEC-SPML JV
30	KEC VNC JV (Civil)
31	SPML Infra Limited in JV with KEC International Limited
32	KEC-VNC JV (Railway) CMRL
33	KEC-EMRAIL JV (Railway) MMRDA
34	VNC-KEC-EMRAIL JV (Railway) GMRC

List of Subsidiaries

Sr No.	Subsidiaries
1	KEC Power India Private Limited
2	RPG Transmission Nigeria Limited
3	KEC Investment Holdings
4	SAE Towers Holdings LLC
5	SAE Towers Brazil Subsidiary Company LLC

6	SAE Towers Mexico Subsidiary Holding Company LLC
7	SAE Towers Mexico S de RL de CV
8	SAE Towers Brasil Torres de Transmissão Ltda.
9	SAE Prestadora de Servicios Mexico, S de RL de CV
10	SAE Towers Ltd.
11	SAE Towers Constructao Ltda.
12	KEC Engineering & Construction Services S de RL de CV
13	KEC International (Malaysia) SDN. BHD.
14	KEC Towers LLC
15	KEC EPC LLC
16	KEC Spur Infrastructure Private Limited

KEC International Limited

CIN - L45200MH2005PLC152061

Registered Office : RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030

		Quarter ended			Year ended
	Particulars	**June 30, 2024 (Unaudited)**	**March 31, 2024 (Refer note 6)**	**June 30, 2023 (Unaudited)**	**March 31, 2024 (Audited)**
1	Revenue from operations	4,511.89	6,164.83	4,243.59	19,914.17
2	Other income	43.13	7.79	2.83	52.41
3	Total Income (1+2)	4,555.02	6,172.62	4,246.42	19,966.58
4	Expenses				
	(i) Cost of materials consumed	1,795.49	2,699.82	1,609.64	8,413.69
	(ii) Changes in inventories of finished goods, work-in-progress	(2.23)	218.58	(131.39)	(5.70)
	(iii) Erection & sub-contracting expenses	1,644.56	2,046.16	1,715.57	7,176.82
	(iv) Employee benefits expense	369.55	344.28	353.91	1,440.63
	(v) Finance costs	154.95	154.25	158.70	655.13
	(vi) Depreciation and amortisation expense	46.51	48.25	41.79	185.36
	(vii) Other expenses	434.15	467.99	451.50	1,674.16
	Total expenses	4,442.98	5,979.33	4,199.72	19,540.09
5	Profit before tax (3-4)	112.04	193.29	46.70	426.49
6	Tax expenses :				
	(i) Current Tax	50.68	55.07	19.11	114.10
	(ii) Deferred Tax	(26.22)	(13.53)	(14.74)	(34.39)
	Total Tax Expense	24.46	41.54	4.37	79.71
7	Profit for the period (5-6)	87.58	151.75	42.33	346.78
8	Other Comprehensive Income/(loss) for the period				
	(i) Items that will not be reclassified to profit or loss	0.55	3.48	(0.31)	2.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.12)	(0.89)	0.06	(0.63)
	(iii) Items that will be reclassified to profit or loss	(31.75)	(21.47)	(19.50)	63.57
	(iv) Income tax relating to items that will be reclassified to profit or loss	5.89	5.19	5.53	(10.91)
9	Total Other Comprehensive Income/(Loss) for the period	(25.43)	(13.69)	(14.22)	54.49
10	Total Comprehensive Income for the period (7+9)	62.15	138.06	28.11	401.27
11	Paid-up equity share capital (face value Rs. 2/- each)	51.42	51.42	51.42	51.42
12	Other Equity				4,044.28
13	Basic / Diluted Earnings Per Share (in Rupees) attributable to owners (face value Rs. 2/- each) (not annualised)	3.41	5.90	1.65	13.49

Rs. in Crore

Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2024

See accompanying notes forming part of the consolidated financial results

Segmentwise Consolidated Revenue, Results, Assets and Liablltles for the quqrter ended June 30, 2024

Particulars	Quarter ended			Year ended
	June 30, 2024 (Unaudited)	March 31, 2024 (Unaudited)	June 30, 2023 (Unaudited)	March 31, 2024 (Audited)
(i) Segment revenue (Revenue from Operations)				
EPC	4,244.43	5,834.06	4,002.18	18,699.99
Others	363.34	460.59	389.05	1,645.42
Less: Inter-segment revenue	(95.88)	(129.82)	(147.64)	(431.24)
Net Segment Revenue	**4,511.89**	**6,164.83**	**4,243.59**	**19,914.17**
(ii) Segment Results (before finance cost, depreciation and amortisation expense and other income)				
EPC	253.71	357.05	224.57	1,113.78
Others	16.66	30.95	19.79	100.79
Total Segment Results	**270.37**	**388.00**	**244.36**	**1,214.57**
Add/(less) :				
Other income	43.13	7.79	2.83	52.41
Finance cost	(154.95)	(154.25)	(158.70)	(655.13)
Depreciation and amortisation expense	(46.51)	(48.25)	(41.79)	(185.36)
Profit before tax	**112.04**	**193.29**	**46.70**	**426.49**
Less: Tax expense				
Current tax	50.68	55.07	19.11	114.10
Deferred tax	(26.22)	(13.53)	(14.74)	(34.39)
Profit for the period	**87.58**	**151.75**	**42.33**	**346.78**
(iii) Other segment information:				
1. Segment assets				
EPC	18,474.20	18,129.89	17,960.58	18,129.89
Others	898.85	901.58	931.65	901.58
Total Segment Assets	**19,373.05**	**19,031.47**	**18,892.23**	**19,031.47**
2. Segment liabilities				
EPC	14,479.59	14,069.28	14,352.40	14,069.28
Others	735.45	866.49	740.29	866.49
Total Segment Liabilities	**15,215.04**	**14,935.77**	**15,092.69**	**14,935.77**

Notes:

1 The above results of KEC International Limited, its branches, jointly controlled operations (the 'Company') and its Subsidiaries (together referred to as 'Group') were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 26, 2024. The Statutory Auditors of the Company have conducted a "Limited Review" of the above Consolidated Unaudited Financial Results for the period ended June 30, 2024.

2 The above results of the Group have 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 the other accounting principles generally accepted in India.

3 Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has unsecured Commercial Papers which are Listed on BSE Limited. Pursuant to SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended, information to the extent applicable to Commercial Papers is given below:

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2024 (Unaudited)	March 31, 2024 (Refer note 6)	June 30, 2023 (Unaudited)	March 31, 2024 (Audited)
a)	Debt Equity Ratio	1.04	0.93	1.12	0.93
b)	Debt Service Coverage Ratio	0.97	1.40	1.27	1.29
c)	Interest Service Coverage Ratio	1.88	2.31	1.53	1.82
d)	Current Ratio	1.12	1.11	1.12	1.11
e)	Long term debt to working capital Ratio	0.23	0.32	0.56	0.32
f)	Bad debts to Account receivable Ratio ^	0.00	0.00	0.00	0.01
g)	Current liability Ratio	0.97	0.97	0.95	0.97
h)	Total debts to Total assets Ratio	0.22	0.20	0.25	0.20
i)	Debtors Turnover Ratio (No. of Days)	93	62	98	83
j)	Inventory Turnover Ratio (No. of Days)	47	31	56	37
k)	Operating Margin excluding exceptional item (%)	5.99	6.29	5.76	6.10
l)	Net Profit Margin (%)	1.94	2.46	1.00	1.74
m)	Capital Redemption Reserve (Rs. in Crore)	14.28	14.28	14.28	14.28
n)	Net Worth (Rs. in Crore)	4,009.74	3,922.00	3,694.57	3,922.00
o)	Net Profit after Tax (Rs. in Crore)	87.58	151.75	42.33	346.78
p)	Basic Earnings per Share (Rs.) (Not annualised)	3.41	5.90	1.65	13.49

^ Ratios for the quarter have been annualised.

Formula used for calculation of ratios in Note 3 is as under:

i) Debt Equity Ratio = Total Debt / Total Equity

ii) Debt Service Coverage Ratio = [(Profit After Tax and exceptional item + Depreciation and amortisations + Interest + Loss on sale of Fixed assets) / (Finance Cost + Repayment of long term borrowings & Lease liability)].

iii) Interest Service Coverage Ratio = (Profit After Tax and exceptional item + Depreciation and amortisations + Interest + Loss on sale of Fixed assets) / Finance Cost.

iv) Current Ratio = Current asset/Current liability.

v) Long term debt to working capital Ratio = Long term loans including current maturities/ (Current Assets – Current Liabilities).

vi) Bad debts to Account receivable Ratio = Total Bad Debts/Average Accounts Receivables

vii) Current liability Ratio = Current Liabilities / Total Liabilities.

viii) Total debts to Total assets Ratio = (Short-Term Debt+Long-Term Debt + Interest Accrued but not due)/Total Assets.

ix) Debtors Turnover Ratio = (Average Account Receivable/Total Revenue from operation) x No. of Days.

x) Inventory Turnover Ratio = [Average Inventory/(Cost of material consumed+Changes in inventories of finished goods, work-in-progress+Erection and construction material consumed+Stores consumed)] x No. of Days.

xi) Operating Margin = (Profit before Depreciation and Amortisation, finance costs, Tax and exceptional items less Other Income)/Total Revenue from operation.

xii) Net Profit Margin = Profit for the period /Total Revenue from operations.

xiii) Net Worth = Share capital + Other equity (excluding Other Comprehensive Income).

4 Information of Standalone Financial Results of the Company is as under: -

	Particulars	Quarter ended			Year ended
		June 30, 2024 (Unaudited)	March 31, 2024 (Refer note 6)	June 30, 2023 (Unaudited)	March 31, 2024 (Audited)
A	Revenue from operations	3,888.25	5,301.81	3,701.49	17,383.35
B	Profit before tax	43.07	120.87	5.43	191.58
C	Profit after tax	32.15	92.93	3.77	147.53

5 The Company was executing few projects in Afghanistan, which are kept on hold due to force majeure event. The Company does not expect any material financial impact due to this event, as the projects are funded by international funding agencies [Asian Development Bank (ADB), USAID and World Bank]. Till June 30, 2024, the Company has realized outstanding amounts pursuant to the settlement with USAID of Rs. 148 crores and partial payments from the World Bank of Rs. 296 crores. ADB has also communicated to resolve the outstanding payments and has appointed a third-party agency, United Nations Office for Project Services, for verification of the physical work. The Company is closely monitoring the situation and given the current geopolitical environment in Afghanistan, probability of resumption of work is remote. As of June 30, 2024, the Company has a net exposure of Rs. 172 crore (translated at period end exchange rate), including exposure of Afghanistan branch after netting off advances, liabilities and adjusting contract liabilities. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed beyond their existing validity date(s), except bank guarantees in respect of one project, which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking making or receiving payment under the bank guarantees.

6 The figures for the quarter ended March 31, 2024 are balancing figures between the audited figures in respect of the full financial year ended on March 31, 2024 and the unaudited published year to date figures upto third quarter ended on December 31, 2023, which were subjected to Limited review by the Statutory Auditors.

7 The Group has opted to publish Extract of Consolidated Unaudited Financial Results for the quarter ended June 30, 2024. The Consolidated and Standalone Financial Results for the quarter ended June 30, 2024 of the Company prepared in accordance with Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, will be available on the website of the Company, BSE Limited and National Stock Exchange of India Limited.

For KEC INTERNATIONAL LIMITED

Place : Mumbai
Date : July 26, 2024

VIMAL KEJRIWAL
MANAGING DIRECTOR & CEO
DIN - 00026981

The Board of Directors
KEC International Limited
RPG House, 463,
Dr. Annie Besant Road,
Worli, Mumbai 400 030

1. We have reviewed the consolidated unaudited financial results of KEC International Limited (the "Parent"), which includes 39 branches, 34 jointly controlled operations consolidated on a proportionate basis and its 17 subsidiaries (the Parent, its branches, jointly controlled operations and its subsidiaries hereinafter referred to as the "Group") (refer Annexure A), for the quarter ended June 30, 2023, which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2023' (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been digitally signed by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been 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. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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 SEBI under Regulation 33(8) of the Listing Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities listed in Annexure A.

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 branch auditors and other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 6 of the Statement, regarding the Parent's net exposure of Rs. 337 crores (including 29.46 crores exposure of the Afghanistan branch), from its transmission line projects in Afghanistan as at June 30, 2023, which are kept on hold due to Force Majeure event where as per management, the probability of resumption of work is considered as remote. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies.

   Our conclusion is not modified in respect of this matter.

7. Review report on the Interim Financial Statements of Afghanistan branch issued by an independent firm of chartered accountants vide its report dated July 26, 2023 includes an emphasis of matter paragraph which is reproduced by us as under:

   "We draw attention to the Interim Financial Statements, regarding Afghanistan Branch net exposure of USD 24.12 Lakhs (equivalent to INR. 2946.46 Lakhs) to its transmission line Projects as at June 30,2023, which are currently on hold due to Force Majeure event. Timeline of the recovery of said exposure is dependent upon the geopolitical environment in Afghanistan and negotiation with international funding agencies. Further, the bank guarantees issued in respect of these ongoing projects are also currently not enforceable due to the force majeure event. Our Conclusion is not modified in respect of this matter."

   Our conclusion is not modified in respect of this matter.

8. We did not review the interim financial information of 39 branches and 34 jointly controlled operations consolidated on proportionate basis included in the Statement, whose results reflect total revenues of Rs. 1,084 crores, total net loss after tax of Rs. 8 crores and total comprehensive income (comprising of loss and other comprehensive income (net)) of Rs. 3 crores for the quarter ended, as considered in the respective interim financial information of the branches and jointly controlled operations included in the Group. The interim financial information of these branches and jointly controlled operations have been reviewed by the branch auditors and other auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches and jointly controlled operations, is based solely on the report of such branch auditors and other auditors, who carried out their review and issued their unmodified conclusion vide their report as provided to us by the Management and the procedures performed by us as stated in paragraph 3 above.

   We did not review the interim financial information of 17 subsidiaries included in the Statement, whose interim financial information reflect total revenues of Rs. 730 crores, total net profit after tax of Rs. 39 crores and total comprehensive income (comprising of profit and other comprehensive income (net)) of Rs. 41 crores, for the quarter ended June 30, 2023, as considered in the Statement. These interim financial information have been reviewed by other auditors and their reports vide which they have issued an unmodified conclusion, have been furnished to us by the 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.

   Our conclusion on the Statement is not modified in respect of the above matters.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN : 23045255BGYVVV3632

Place: Mumbai
Date: August 03, 2023

Annexure A

List of Branches: Abu Dhabi, Afghanistan, Algeria, Bangladesh, Burkina Faso, Bhutan, Burundi, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Libya, Malaysia, Mali, Moldova, Mozambique, Morocco, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Srilanka, Sierra Leone, Senegal, South Africa, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia

List of Jointly Controlled Operations consolidated:

Sr No.	Jointly Controlled Operations
1	Al-Sharif Group and KEC Ltd Company, Saudi Arabia
2	EJP KEC Joint Venture, South Africa
3	KEC-ASIAKOM- UB JV
4	KEC-ASIAKOM JV
5	KEC-DELCO-VARAHA JV
6	KEC-VARAHA-KHAZANA JV
7	KEC-VALECHA-DELCO JV
8	KEC-SIDHARTH JV
9	KEC-TRIVENI-KPIPL-JV
10	KEC-UNIVERSAL-JV
11	KEC-DELCO-DUSTAN-JV
12	KEC-ANPR-KPIPL JV
13	KEC-PLR-KPIPL JV
14	KEC-BJCL JV
15	KEC-KIEL JV
16	KEC-ABEPL JV
17	KEC-TNR INFRA JV
18	KEC-SMC JV
19	KEC-WATERLEAU JV
20	KEC-ASSB JV
21	KEC-CCECC (Railway) RRTS
22	KEC-CCECC (Civil) Kochi Metro
23	CCECC KEC JV (Civil) Delhi Metro
24	Longjian KEC JV
25	MBPL - KEC JV
26	VNC KEC JV (Railway)
27	HCC - KEC Consortium
28	KEC-VNC CONSORTIUM
29	KEC-SPML JV
30	KEC VNC JV (Civil)
31	SPML Infra Limited in JV with KEC International Limited
32	KEC-VNC JV (Railway) CMRL
33	KEC-EMRAIL JV (Railway) MMRDA
34	VNC-KEC-EMRAIL JV (Railway) GMRC

Sr No.	Subsidiaries
1	KEC Power India Private Limited
2	RPG Transmission Nigeria Limited
3	KEC Investment Holdings
4	KEC Global Mauritius
5	SAE Towers Holdings LLC
6	SAE Towers Brazil Subsidiary Company LLC
7	SAE Towers Mexico Subsidiary Holding Company LLC
8	SAE Towers Mexico S de RL de CV
9	SAE Towers Brasil Torres de Transmissão Ltda.
10	SAE Prestadora de Servicios Mexico, S de RL de CV
11	SAE Towers Ltd.
12	SAE Towers Constructao Ltda.
13	KEC Engineering & Construction Services S de RL de CV
14	KEC International (Malaysia) SDN. BHD.
15	KEC Towers LLC
16	KEC EPC LLC
17	KEC Spur Infrastructure Private Limited

KEC International Limited

CIN - L45200MH2005PLC152061

Registered Office : RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030

Rs. in Crore

Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2023

	Particulars	Quarter ended			Year ended
		June 30, 2023 (Unaudited)	March 31, 2023 (Refer note 7)	June 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1	Revenue from operations	4,243.59	5,525.01	3,318.08	17,281.71
2	Other income	2.83	5.52	7.95	31.32
3	Total Income (1+2)	4,246.42	5,530.53	3,326.03	17,313.03
4	Expenses				
	(i) Cost of materials consumed	1,609.64	2,257.45	1,175.77	6,969.83
	(ii) Changes in inventories of finished goods, work-in-progress	(131.39)	107.25	138.11	98.77
	(iii) Erection & sub-contracting expenses	1,715.57	2,096.65	1,149.24	6,552.24
	(iv) Employee benefits expense	353.91	340.77	340.55	1,356.24
	(v) Finance costs	158.70	161.61	99.98	538.59
	(vi) Depreciation and amortisation expense	41.79	41.50	39.29	161.48
	(vii) Other expenses	451.50	439.42	345.98	1,474.90
	Total expenses	4,199.72	5,444.65	3,288.92	17,152.05
5	Profit before exceptional items and tax (3-4)	46.70	85.88	37.11	160.98
6	Exceptional Items	-	-	-	-
7	Profit after exceptional items and before tax (5-6)	46.70	85.88	37.11	160.98
8	Tax expenses :				
	(i) Current Tax	19.11	15.93	42.39	121.74
	(ii) Deferred Tax	(14.74)	(2.24)	(36.30)	(136.79)
	Total Tax Expense	4.37	13.69	6.09	(15.05)
9	Profit for the period (7-8)	42.33	72.17	31.02	176.03
10	Other Comprehensive Income for the period				
	(i) Items that will not be reclassified to profit or loss	(0.31)	(4.57)	1.06	(0.75)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.06	1.18	(0.25)	0.29
	(iii) Items that will be reclassified to profit or loss	(19.50)	(2.61)	(1.22)	72.35
	(iv) Income tax relating to items that will be reclassified to profit or loss	5.53	(0.96)	17.10	5.89
11	Total Other Comprehensive Income for the period	(14.22)	(6.96)	16.69	77.78
12	Total Comprehensive Income for the period (9+11)	28.11	65.21	47.71	253.81
13	Paid-up equity share capital (face value Rs. 2/- each)	51.42	51.42	51.42	51.42
14	Other Equity				3,720.00
15	Basic / Diluted Earnings Per Share (in Rupees) attributable to owners (face value Rs. 2/- each) (not annualised)	1.65	2.81	1.21	6.85

See accompanying notes forming part of the consolidated financial results

Notes:

1 The above results of KEC International Limited, its branches, jointly controlled operations (the 'Company') and its Subsidiaries (together referred to as 'Group') were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 03, 2023. The Statutory Auditors of the Company have conducted a "Limited Review" of the above Consolidated Unaudited Financial Results for the period ended June 30, 2023.

2 The above results of the Group have 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 the other accounting principles generally accepted in India.

3 The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure *interalia* products, projects and systems and related activities for power transmission, distribution, railway, civil, oil & gas, cable and other EPC business. Information is reported to and evaluated regularly by the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessing performance, focuses on the business as a whole and accordingly, there is a single reportable segment in the context of the Operating Segment as defined under Ind AS 108.

4 **Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

The Company has unsecured Commercial Papers which are Listed on BSE Limited. Pursuant to SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended, information to the extent applicable to Commercial Papers is given below:

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2023 (Unaudited)	March 31, 2023 (Refer note 7)	June 30, 2022 (Unaudited)	March 31, 2023 (Audited)
a)	Debt Equity Ratio	1.12	0.85	1.02	0.85
b)	Debt Service Coverage Ratio	1.27	1.07	1.15	1.01
c)	Interest Service Coverage Ratio	1.53	1.70	1.70	1.63
d)	Current Ratio	1.11	1.11	1.11	1.11
e)	Long term debt to working capital Ratio	0.54	0.49	0.32	0.49
f)	Bad debts to Account receivable Ratio ^	0.00	0.00	0.01	0.00
g)	Current liability Ratio	0.95	0.95	0.96	0.95
h)	Total debts to Total assets Ratio	0.22	0.17	0.21	0.17
i)	Debtors Turnover Ratio (No. of Days)	153	112	162	135
j)	Inventory Turnover Ratio (No. of Days)	56	33	60	42
k)	Operating Margin excluding exceptional item (%)	5.76	5.13	5.08	4.80
l)	Net Profit Margin (%)	1.00	1.31	0.93	1.02
m)	Capital Redemption Reserve (Rs. in Crore)	14.28	14.28	14.28	14.28
n)	Net Worth (Rs. in Crore)	3,694.57	3,652.24	3,506.72	3,652.24
o)	Net Profit after Tax (Rs. in Crore)	42.33	72.17	31.02	176.03
p)	Basic Earnings per Share (Rs.)	1.65	2.81	1.21	6.85

^ Ratios for the quarter have been annualised.

Formula used for calculation of ratios in Note 4 is as under:

i) Debt Equity Ratio = Total Debt / Total Equity

ii) Debt Service Coverage Ratio = [(Profit After Tax and exceptional item + Depreciation and amortisations + Interest + Loss on sale of Fixed assets) / (Finance Cost + Repayment of loans & Lease liability)].

iii) Interest Service Coverage Ratio = (Profit After Tax and exceptional item + Depreciation and amortisations + Interest + Loss on sale of Fixed assets) / Finance Cost.

iv) Current Ratio = Current asset/Current liability.

v) Long term debt to working capital Ratio = Long term loans including current maturities/ (Current Assets – Current Liabilities).

vi) Bad debts to Account receivable Ratio = Total Bad Debts/Average Accounts Receivables

vii) Current liability Ratio = Current Liabilities / Total Liabilities.

viii) Total debts to Total assets Ratio = (Short-Term Debt+Long-Term Debt + Interest Accrued but not due)/Total Assets.

ix) Debtors Turnover Ratio = (Average Account Receivable/Total Revenue from operation) x No. of Days.

x) Inventory Turnover Ratio = [Average Inventory/(Cost of material consumed+Changes in inventories of finished goods, work-in-progress+Erection and construction material consumed+Stores consumed)] x No. of Days.

xi) Operating Margin = (Profit before Depreciation and Amortisation, finance costs, Tax and exceptional items less Other Income)/Total Revenue from operation.

xii) Net Profit Margin = Profit for the period /Total Revenue from operations.

xiii) Net Worth = Share capital + Other equity (excluding Other Comprehensive Income).

5 **Information of Standalone Financial Results of the Company is as under: -**

	Particulars	Quarter ended			Year ended
		June 30, 2023 (Unaudited)	March 31, 2023 (Refer note 7)	June 30, 2022 (Unaudited)	March 31, 2023 (Audited)
A	Revenue from operations	3,701.49	4,961.37	2,848.64	15,413.23
B	Profit after exceptional items and before tax	5.43	47.02	136.24	250.15
C	Profit after tax	3.77	29.40	100.29	180.25

6 **The Company was executing few projects in Afghanistan, which are kept on hold due to force majeure event. The Company does not expect any material financial impact due to this event, as the projects are funded by international funding agencies [Asian Development Bank (ADB), USAID and World Bank]. During the quarter, the Company has realized outstanding amounts pursuant to the settlement with USAID for one project funded by them. Further, subsequent to the quarter, the Company has also realized partial payments from the World Bank against two projects funded by them. ADB has also communicated to resolve the outstanding payments. The Company is closely monitoring the situation and given the current geopolitical environment in Afghanistan, probability of resumption of work is remote. As of June 30, 2023, the Company has a net exposure of Rs. 337 crore (translated at period end exchange rate) including Afghanistan Branch exposure of Rs. 29.46 crore after netting off advances, liabilities and adjusting contract liabilities. Further, the bank guarantees issued for the projects, in view of the ongoing force majeure are not being renewed beyond their existing validity date(s), except bank guarantees in respect of one project, which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking, making, or receiving payment under the bank guarantees.**

7 **The figures for the quarter ended March 31, 2023 are balancing figures between the audited figures in respect of the full financial year ended on March 31, 2023 and the unaudited published year to date figures upto third quarter ended on December 31, 2022, which were subjected to Limited review by the Statutory Auditors.**

8 **The Group has opted to publish Extract of Consolidated Unaudited Financial Results for the quarter ended June 30, 2023. The Consolidated and Standalone Financial Results for the quarter ended June 30, 2023 of the Company prepared in accordance with Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, will be available on the website of the Company, BSE Limited and National Stock Exchange of India Limited.**

For KEC INTERNATIONAL LIMITED

Place : Mumbai
Date : August 03, 2023

VIMAL KEJRIWAL
MANAGING DIRECTOR & CEO
DIN - 00026981

Independent Auditor's Report

To the Members of KEC International Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of KEC International Limited (hereinafter referred to as the "Parent Company") which includes the financial statements / financial information of the Parent Company's 39 branches at Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Burkina Faso, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia, financial statements/financial information of 34 jointly controlled operations consolidated on a proportionate basis and its 17 subsidiaries (Parent Company, branches, jointly controlled operations and its subsidiaries together referred to as "the Group") (refer Notes 3.3 and 49 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. 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 other auditors on the audited standalone/ consolidated financial statements/financial information of branches, jointly controlled operations and subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the 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, as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India 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 we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 16 and 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER PARAGRAPH

4. We draw attention to Note 62 of the consolidated financial statements, regarding the Parent Company's net exposure of ₹ 245 crores (including Afghanistan branch exposure) from its transmission line projects in Afghanistan as at March 31, 2024, which are kept on hold due to Force Majeure event where as per management, the probability of resumption of work is considered as remote. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies.

   Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. 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.

Key audit matter	How our audit addressed the key audit matter
Estimation of construction contract revenue and related cost (Refer Notes 38 and 51 to the standalone financial statements) The Company enters into engineering, procurement and construction contracts, which are complex in nature and generally extend over a period of 2 to 3 years. Contract prices are fixed / subject to price variance clauses. Contract revenue is measured based on the proportion of contract costs incurred for work performed until the balance sheet date, relative to the estimated total contract costs. The recognition of revenue, therefore, rely on estimates in relation to total estimated costs and estimated contract price of each contract. This method requires the Company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period to determine the appropriate percentage of completion. We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has a consequential impact on revenue recognition.	Our procedures over the recognition of construction revenue included the following: • Understood and evaluated the design and tested operating effectiveness of key internal financial controls, including those related to estimation of construction contract costs & contract price and review and approval thereof. • Assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers". • For selected sample of contracts, performed the following procedures: a) We obtained the percentage of completion calculations, agreed key contractual terms back by 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. b) For costs incurred to date, we verified relevant supporting documents and performed cut off procedures. c) Variable consideration (variation/claims) is recognized by the management when its recovery is assessed to be highly probable. We have evaluated the management assessment by reviewing the contractual terms, client communications and past trends, wherever considered necessary. d) Evaluated the reasonableness of key assumptions included in estimated total contract costs: - For a selected sample of contracts, obtained the breakdown of estimated total contract costs and tested elements of the committed cost by obtaining executed purchase orders/agreements, customer confirmations /documents, evidence relating to variable consideration/claims. - Evaluated reasonableness of management's judgements and assumptions by using past trends and comparing the movement in estimated total contracts costs from previous periods. • Assessed the adequacy of presentation and related disclosures in the standalone financial statements. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.

Notes 38 and 51 as described above are included in Notes 38 and 50 respectively to the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Recoverability of Trade Receivables and Contract Assets (Refer to Notes 10, 15 and 20 to the standalone financial statement) Trade receivables and contract assets (other than that described in the Emphasis of matter paragraph above), are significant balances in the Company's standalone financial statements as at March 31, 2024 and assumptions used for estimating the expected credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, ongoing litigations and disputes, if any, existing market conditions and forward-looking estimates, with the customer. Given the relative significance of these receivables to the standalone financial statements and judgement involved as well as the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	Our procedures towards recoverability of trade receivables involved the following: • Evaluated the design and tested the operating effectiveness of key controls over the assessment of recoverability of receivables. • For a selected sample of contracts, we made enquiries with the management and gained an understanding of the related contractual terms, collection history, basis of their assessment of collectability, realization plan, verified the carrying value of trade receivables. • Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, contractual terms, project status, past history, subsequent realization, correspondence between the Company and their customers, ongoing litigations and disputes, if any, existing market conditions and forward-looking estimates, with the customer. Based on the procedures performed above, no significant deviations were observed in respect of management's assessment of recoverability of trade receivables.

Notes 10, 15 and 20 as described above are included in Notes 11,16 and 20 respectively to the consolidated financial statements.

6. The following Key Audit Matters were included in the audit report dated May 06, 2024, issued by an independent firm, containing an unmodified audit opinion on the consolidated financial statements of SAE Tower Holdings, LLC (SAE), a step-down subsidiary of the Parent Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How the other auditor addressed the key audit matter
Impairment assessment of Goodwill and recognition and recoverability of Deferred tax assets Refer note 29 and 4 to the accompanying special purpose consolidated financial information. As at 31 March 2024, the Group had reported goodwill aggregating to INR 245.69 crore and had deferred tax assets (DTA) aggregating to INR 314.34 crores on carried forward tax losses recognised by the Group's Brazilian subsidiary in earlier years. The Group has performed annual impairment test for the goodwill as per the applicable accounting standard, Ind AS 36, Impairment of Assets, by determining the fair value of the Cash Generated Units (CGUs) to which the goodwill is allocated, using discounted cash flow method. Further, such future projections have also been used by the management to determine availability of future taxable profits for utilization of the DTA recognised as above within the time period allowed under the applicable Brazilian tax laws, as required under Ind AS 12, Income Taxes. The determination of the recoverable value of CGUs and Deferred tax assets requires management to make significant estimates and assumptions including forecast of future cash flows, long-term growth rates, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill and/or Deferred tax assets.	Our audit in relation to impairment assessment of Goodwill and recoverability of DTA included, but were not limited to, the following procedures: • Obtained an understanding from the management through detailed discussions on its impairment assessment of Goodwill and recognition of deferred tax asset process, and related assumptions used and estimates made by management. • Evaluated design and operating effectiveness of the Group's key internal controls over the above mentioned business processes; • Evaluated appropriateness of the accounting policies adopted by the Company in accordance with the applicable accounting standards (Ind AS 36 and Ind AS 12). • Assessed appropriateness of the CGUs identified by the management to which goodwill is allocated. • Traced the cash flow forecasts determined by the management to approved business plans, assessed the reasonability of the assumptions used in the forecasts with our understanding of the business and external market conditions, as relevant, and verified the historical trend of the past performance to evaluate consistency in such assumptions.

Key audit matter	How the other auditor addressed the key audit matter
As disclosed in Note 29, the management has determined that for the purpose of impairment testing of goodwill, the Group's entire business is considered as one CGU. Further, as disclosed in Note 4, the management has assessed that there is no time limit applicable under the Brazilian tax laws to set-off aforesaid business losses against future taxable profits. Considering that goodwill balance and Deferred tax assets are significant to the consolidated financial information and auditing management judgement and estimates as stated above involves high degree of subjectivity and requires significant auditor judgement, assessment of appropriateness of carrying value of goodwill and deferred tax assets is considered as a key audit matter for the current year audit.	• Involved auditor's valuation experts to assess the appropriateness of the valuation methodology and assumptions considered by the management's expert to calculate the recoverable amounts of CGUs and also ensured the mathematical accuracy of these calculations. • Evaluated the sensitivity analysis on the key assumptions used in future business projections to determine the estimation uncertainty in relation to possible variation in recoverable value of CGUs and availability of future taxable profits. • Involved auditor's tax experts to evaluate the management's assessment of time period available for adjustment of such deferred tax assets as per applicable tax laws. • Evaluated the appropriateness and adequacy of disclosures made in the special purpose consolidated financial information in relation to Goodwill and Deferred tax assets in accordance with the applicable accounting standards and regulations.

Notes 29 and 4 as described above are included in Notes 8 and 28 respectively to the consolidated financial statements.

Key audit matter	How the other auditor addressed the key audit matter
Recoverability of Trade receivables (Refer Note 39, Financial risk management objectives and policies and Note 8, Trade receivables to the accompanying special purpose consolidated financial information.) The Group's trade receivables amount to INR 363.60 crores as at 31 March 2024. The Group has significant overdues from various customers for which expected credit loss provision is measured by the management using simplified approach in accordance with the requirements of Ind AS 109: Financial Instruments, which involves measuring the loss allowance equal to the lifetime expected credit losses. For the purpose of aforesaid expected credit loss assessment, significant judgement is required by the management to estimate the timing and amount of realisation of these receivables basis the past history, customer profiles and consideration of other internal and external sources of information. Given the relative significance of these receivables to the special purpose consolidated financial information and the nature and extent of audit procedures involved due to high estimation uncertainty of the accounting estimates, we determined recoverability of trade receivables to be a key audit matter for the current year audit.	Our audit in relation to recoverability of trade receivables involved, but was not limited to, the following procedures: • Understood the process adopted by the management in determining the ECL provision for outstanding trade receivable and evaluated the appropriateness of models used and accounting policy adopted by the Group in accordance with Ind AS 109. • Evaluated the design and operating effectiveness of the Group's key internal controls over the process of collection of trade receivables; follow up of overdue balances; assessing provisions towards doubtful receivables and controls relating to litigations; • Tested the ageing of the trade receivable balances at year end on sample basis from the underlying source documents. • Obtained an understanding of the basis of management's judgements about the recoverability of long outstanding trade receivable balances and evaluated the allowance for doubtful debts made by management for these balances with reference to correspondence between the Group and the debtors, the recovery plan and corroborated the inputs with our understanding of the matter and externally available information. • Evaluated appropriateness of identification of different classes of debtors and tested the ECL model used by the management by tracing the information to source data and ensuring arithmetical accuracy. • Considered payments received subsequent to year-end, past payment history and unusual patterns to identify potentially impaired balances.

Key audit matter	How the other auditor addressed the key audit matter
	• Obtained confirmation from attorney to ensure recoverability of the receivable amount in case of litigations. • Evaluated the appropriateness and adequacy of disclosures made in the special purpose consolidated financial information related to trade receivables is in accordance with the applicable accounting standards and regulations.

Note 39 and 8 as described above is included in Notes 53, 11 and 16 to the consolidated financial statements.

OTHER INFORMATION

7. The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The 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 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 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 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 appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The Parent Company's Board of Directors is 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 financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements/ financial information 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 Directors of the Parent Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies included in the Group 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 the respective companies included in the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of those respective companies included in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. 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.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Parent Company has adequate internal financial controls with reference to consolidated 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 to cease to continue as a going concern.
- valuate 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 information of the entities or business activities within the Group 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.

13. We communicate with those charged with governance of the Parent Company, 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters including those reported by the other auditors 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

16. We did not audit the financial statements/ financial information of 34 branches, 33 jointly controlled operations and 13 subsidiaries included in the consolidated financial statements of the Parent Company, which constitute total assets of ₹ 7,051 crores and net assets of ₹ 1,193 crores as at March 31, 2024, total revenue of ₹ 7,020 crores, total net profit after tax of ₹ 29 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 61 crores and net cash outflows amounting to ₹ 43 crores for the year then ended. These financial statements/ financial information 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 branches, jointly controlled operations and subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid branches, jointly controlled operations and subsidiaries, is based solely on the report of such other auditors.

17. The financial statements/ financial information of 5 branches, 1 jointly controlled operation and 4 subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 2,033 crores and net assets of ₹ 1,124 crores as at March 31, 2024, total revenue of ₹ 1,397 crores, total net profit after tax of ₹ 101 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 103 crores and net cash inflows amounting to ₹ 4 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's management has converted the financial statements/ financial information of such branches, jointly controlled operation and subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management. Our opinion in so far as it relates to the balances and affairs of such branches, jointly

controlled operation and subsidiaries located outside India, including other information, is based on the report of such other auditors and the conversion adjustments prepared by the management of the Parent Company and audited by us. Material uncertainty related to going concern has been reported by two branches and one jointly controlled operation, on account of loss incurred during the year by these branches, which are not material in relation to the operations of 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 the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies incorporated in India, which are included in these Consolidated Financial Statements.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (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 Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Parent Company as on April 1, 2024 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Parent Company and subsidiary companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 19(b) above on reporting under Section 143(3)(b) of the Act.

    (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Parent Company, its 39 branches and its 2 subsidiary companies which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (h) 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:

        i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 56 to the consolidated financial statements.

        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2024 – Refer Note 36.4 to the consolidated financial statements in respect of such items as it relates to the Group.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund during the year by the Parent Company.

        iv. (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to the branch auditors and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts of the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of the branches or any of such subsidiaries 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 by or on behalf of the Parent Company or any of the branches or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 72 to the consolidated financial statements).

(b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to the branch auditors and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts of the consolidated financial statements, no funds (which are material either individually or in aggregate) have been received by the Parent Company or any of the branches or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of the branches or any of such subsidiaries shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 72 to the consolidated financial statements).

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, those performed by the branch auditors and the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or branch auditors or auditors of the subsidiaries, which are companies incorporated in India, notice that has caused us or branch auditor or auditors of the subsidiaries, which are companies incorporated in India, to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement.

v. The dividend declared and paid during the year by the Parent Company is in compliance with Section 123 of the Act. The subsidiary companies incorporated in India have not declared/ or paid any dividend during the year.

vi. Based on our examination, which included test checks and that performed by the respective auditors of branches and subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, its branches and subsidiary companies incorporated in India have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that: (a) in case of the Parent Company, the audit trail is not maintained in case of any changes by users with certain privileged access and for any direct database changes to its accounting software, and (b) in case of four branches, the respective branch auditors have not commented on the feature of recording audit trail (edit log) for the books of account maintained by these branches. During the course of our audit and basis the report of the branch auditors and the auditors of the subsidiary companies incorporated in India, except for the aforesaid instances, where the question of our commenting on whether the audit trail has been tampered with does not arise, we or the branch auditors or the auditors of subsidiary companies incorporated in India did not notice any instance of audit trail feature being tampered with.

20. The Parent Company have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Further, as the subsidiary companies which are incorporated in India are not public companies, the said provisions are not applicable.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255
UDIN: 24045255BKGUEZ2806

Place: Mumbai
Date: May 07, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(g) of the Independent Auditor's Report of even date to the members of KEC International Limited on the consolidated financial statements as of and for the year ended March 31, 2024

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of the KEC International Limited (hereinafter referred to as "the Parent Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Parent Company which includes the internal financial controls over financial reporting of the Parent Company's 39 branches and its 2 subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Parent Company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Parent Company, its subsidiary companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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

3. Our responsibility is to express an opinion on the Parent Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Parent Company's internal financial controls system with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial control 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 control with reference to financial statements includes 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 unauthorized 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

7. 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 control 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.

OPINION

8. In our opinion, the Parent Company including 39 branches and its 2 subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 39 branches and 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of the branches and of such subsidiary companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255
UDIN: 24045255BKGUEZ2806

Place: Mumbai
Date: May 07, 2024

Consolidated Balance Sheet

as at March 31, 2024

₹ in Crore

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	5	1,141.22	1,067.23
(b) Right-of-use assets	6	195.24	214.57
(c) Capital work-in-progress	7	13.92	11.45
(d) Goodwill	8	272.13	268.49
(e) Intangible assets	9	19.68	32.52
		1,642.19	**1,594.26**
(f) Financial assets			
(i) Investments	10	★	★
(ii) Trade receivables	11	288.34	359.30
(iii) Other financial assets	12	61.94	76.20
		350.28	**435.50**
(g) Deferred tax assets (net)	28	353.66	327.31
(h) Non-current tax assets (net)	13	294.06	268.03
(i) Other non-current assets	14	233.43	217.88
Total Non-Current Assets		**2,873.62**	**2,842.98**
(2) Current Assets			
(a) Inventories	15	1,213.31	1,137.16
(b) Financial assets			
(ii) Trade receivables	16	4,136.62	4,281.67
(iii) Cash and cash equivalents	17	205.10	281.16
(iv) Bank balances other than (iii) above	18	68.18	63.00
(v) Other financial assets	19	148.51	164.61
		4,558.41	**4,790.44**
(c) Contract assets	20	9,088.37	7,465.61
(d) Current tax assets (net)	21	179.89	53.16
(e) Other current assets	22	1,117.87	989.24
Total Current Assets		**16,157.85**	**14,435.61**
Total Assets		**19,031.47**	**17,278.59**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	23	51.42	51.42
(b) Other equity	24	4,044.28	3,720.00
Total Equity		**4,095.70**	**3,771.42**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	25	252.86	493.16
(ii) Lease liabilities	26	148.14	163.17
		401.00	**656.33**
(b) Provisions	27	24.56	24.12
(c) Deferred tax liabilities (net)	28	-	7.21
(d) Other non-current liabilities	29	0.43	0.45
Total Non-Current Liabilities		**425.99**	**688.11**
(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	30	3,559.46	2,701.29
(ii) Lease liabilities	31	24.57	25.75
(iii) Trade payables	32		
- total outstanding dues of micro and small enterprises		167.62	171.98
- total outstanding dues other than micro and small enterprises		9,039.36	8,216.35
(iv) Other financial liabilities	33	29.69	54.17
		12,820.70	**11,169.54**
(b) Contract liabilities	34	1,211.49	1,230.34
(c) Other current liabilities	35	281.36	216.76
(d) Provisions	36	95.15	94.44
(e) Current tax liabilities (net)	37	101.08	107.98
Total Current Liabilities		**14,509.78**	**12,819.06**
Total Equity and Liabilities		**19,031.47**	**17,278.59**

★ *less than rounding off norms adopted by the company.*

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 07, 2024

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

R. D. CHANDAK
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

₹ in Crore

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	38	19,914.17	17,281.71
II	Other income	39	52.41	31.32
III	**Total Income (I+II)**		**19,966.58**	**17,313.03**
IV	Expenses			
	(i) Cost of materials consumed	40	8,413.69	6,969.83
	(ii) Changes in inventories of finished goods and work-in-progress	41	(5.70)	98.77
	(iii) Erection and sub-contracting expenses	42	7,176.82	6,552.24
	(iv) Employee benefits expense	43	1,440.63	1,356.24
	(v) Finance costs	44	655.13	538.59
	(vi) Depreciation and amortisation expense	45	185.36	161.48
	(vii) Other expenses	46	1,674.16	1,474.90
	Total expenses		**19,540.09**	**17,152.05**
V	Profit before tax (III-IV)		**426.49**	**160.98**
VI	Tax expense :	47		
	(i) Current tax		114.10	121.74
	(ii) Deferred tax		(34.39)	(136.79)
			79.71	**(15.05)**
VII	Profit for the year (V - VI)		**346.78**	**176.03**
VIII	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss			
	(i) Remeasurement of defined benefit obligations	54	2.46	(0.75)
	(ii) Income tax relating to these items	47.2	(0.63)	0.29
	B. Items that will be reclassified to profit or loss	24		
	(i) Exchange differences on translation of financial statements of foreign operations		32.46	83.39
	(ii) Net gain/(losses) on cash flow hedges		31.11	(11.04)
	(iii) Income tax relating to these items	47.2	(10.91)	5.89
	Total Other Comprehensive Income		**54.49**	**77.78**
IX	Total Comprehensive Income for the year (VII+VIII)		**401.27**	**253.81**
X	Earnings per equity share (of ₹ 2 each)			
	(i) Basic (in ₹)	48	13.49	6.85
	(ii) Diluted (in ₹)		13.49	6.85

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 07, 2024

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

R. D. CHANDAK
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

Consolidated statement of changes in equity

for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024 Nos.	As at March 31, 2024 ₹ in crore	As at March 31, 2023 Nos.	As at March 31, 2023 ₹ in crore
Equity Shares Outstanding at the beginning of the year	**257,088,370**	**51.42**	**257,088,370**	**51.42**
Add: Changes in Equity Share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	257,088,370	51.42	257,088,370	51.42
Add: Shares issued during the year	-	-	-	-
Equity Shares Outstanding at the end of the year	**257,088,370**	**51.42**	**257,088,370**	**51.42**

B. OTHER EQUITY

₹ in Crore

Particulars	Reserves and Surplus							Other Comprehensive Income			Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	
Balance as at April 01, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.26**	**8.36**	**31.12**	**1.93**	**3,568.52**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.26**	**8.36**	**31.12**	**1.93**	**3,568.52**
Profit for the year	-	-	-	-	-	-	176.03	-	-	-	**176.03**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(8.23)	86.47	(0.46)	**77.78**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**176.03**	**(8.23)**	**86.47**	**(0.46)**	253.81
Transactions with owners in their capacity as owner	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Increase on account of capital reduction of a subsidiary	-	-	-	-	-	-	0.02	-	-	-	**0.02**
Reduction on account of closure of subsidiary	-	-	-	-	-	-	0.49	-	-	-	**0.49**
Transfer to Statutory reserve	-	-	-	-	1.36	-	(1.36)	-	-	-	**-**
Dividends	-	-	-	-	-	-	(102.83)	-	-	-	**(102.83)**
Balance as at March 31, 2023	**84.98**	**0.04**	**86.75**	**14.28**	**4.44**	**191.72**	**3,218.61**	**0.13**	**117.59**	**1.47**	3,720.00
Balance as at April 01, 2023	**84.98**	**0.04**	**86.75**	**14.28**	**4.44**	**191.72**	**3,218.61**	**0.13**	**117.59**	**1.47**	3,720.00
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2023	**84.98**	**0.04**	**86.75**	**14.28**	**4.44**	**191.72**	**3,218.61**	**0.13**	**117.59**	**1.47**	3,720.00
Profit for the year	-	-	-	-	-	-	346.78	-	-	-	**346.78**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	23.22	29.15	1.83	**54.20**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**346.78**	**23.22**	**29.15**	**1.83**	400.98
Transactions with owners in their capacity as owner											
Increase on account of capital reduction of a subsidiary	-	-	-	-	-	(2.55)	2.55	-	-	-	**-**
Reduction on account of closure of subsidiary	-	-	-	-	-	-	0.12	-	0.29	-	**0.41**
Transfer to Statutory reserve	-	-	-	-	3.18	-	(3.18)	-	-	-	**-**
Dividends	-	-	-	-	-	-	(77.12)	-	-	-	**(77.12)**
Balance as at March 31, 2024	**84.98**	**0.04**	**86.75**	**14.28**	**7.62**	**189.17**	**3,487.76**	**23.35**	**147.03**	**3.30**	**4,044.28**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 07, 2024

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

R. D. CHANDAK
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

Consolidated Cash Flow Statement

for the year ended March 31, 2024

₹ in Crore

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT FOR THE YEAR AFTER TAX		**346.78**		**176.03**
Adjustments for:				
Income tax expense	79.71		(15.05)	
Depreciation and amortisation expense	185.36		161.48	
Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets	(3.26)		(4.46)	
Loss on property, plant and equipment discarded & intangible assets derecognised	2.64		0.95	
Finance costs	655.13		538.59	
Interest income	(45.32)		(23.20)	
Bad debts, loans and advances written off/written back (net)	2.17		17.66	
Allowance for bad and doubtful debts, loans and advances (net of reversal)	90.91		32.80	
Mark to market (gain)/loss on forward and commodity contracts	(7.69)		15.38	
Net unrealised exchange loss/(gain)	47.02		(46.44)	
		1,006.67		**677.71**
		1,353.45		**853.74**
Changes in assets and liabilities				
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Inventories	(71.90)		(46.80)	
Trade receivables	144.68		(1,194.60)	
Other financial assets	60.14		(86.09)	
Contract assets	(1,645.80)		(60.27)	
Other current assets	(132.73)		27.65	
Other non-current assets	(9.30)		(18.86)	
		(1,654.91)		**(1,378.97)**
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	807.99		1,515.27	
Other current liabilities	83.88		88.14	
Contract liabilities	(25.79)		(259.16)	
Other financial liabilities	(4.19)		(4.76)	
Provisions	2.83		14.01	
		864.73		**1,353.50**
CASH FLOW GENERATED FROM OPERATIONS		**563.27**		**828.27**
Taxes paid (net of refunds and interest on refunds)		(252.13)		(214.53)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)		**311.14**		**613.74**
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)	(237.38)		(178.29)	
Proceeds from sale of property, plant and equipment	3.80		15.72	
Proceeds/(purchase) of short-term investments (net)	-		12.64	
Interest received	15.70		16.41	
Bank balances (including non-current) not considered as Cash and cash equivalents (net)	(5.18)		(8.69)	
		(223.06)		**(142.21)**
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(223.06)**		**(142.21)**

Consolidated Cash Flow Statement

for the year ended March 31, 2024

₹ in Crore

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from other than short-term borrowings	169.90		381.51	
Repayments of other than short-term borrowings	(414.14)		(66.97)	
Repayment of lease obligations	(26.61)		(30.09)	
Increase / (decrease) in short-term borrowings (net)	852.19		(47.98)	
Finance costs paid	(648.85)		(534.43)	
Dividend paid	(77.16)		(102.85)	
		(144.67)		**(400.81)**
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		**(144.67)**		**(400.81)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**(56.59)**		**70.72**
Cash and cash equivalents at the beginning of the year (Refer Note 17)		281.16		207.63
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(19.47)		2.81
Cash and cash equivalents at the end of the year (Refer Note 17)		**205.10**		**281.16**
Supplemental Information				
Non Cash Transactions from Investing and Financing Activities:				
Acquisition of Right-of-Use assets		0.76		0.21

Reconciliation of liabilities arising from financing activities:

Particulars	As at March 31, 2023	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest expense	Interest paid	As at March 31, 2024
Borrowings	3,215.85	607.94	-	9.92	634.50	(642.08)	**3,826.13**
Lease liabilities	188.92	(17.04)	0.76	0.07	9.57	(9.57)	**172.71**
Total liabilities from financing activities	**3,404.77**	**590.90**	**0.76**	**9.99**	**644.07**	**(651.65)**	**3,998.84**

Particulars	As at March 31, 2022	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest expense	Interest paid	As at March 31, 2023
Borrowings	2,874.93	266.56	-	65.18	523.06	(513.88)	**3,215.85**
Lease liabilities	201.90	(19.82)	(5.46)	12.31	10.27	(10.27)	**188.92**
Total liabilities from financing activities	**3,076.83**	**246.74**	**(5.46)**	**77.49**	**533.34**	**(524.16)**	**3,404.77**

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 07, 2024

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

R. D. CHANDAK
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

1. GENERAL INFORMATION

KEC International Limited ("the Company") (CIN: L45200MH2005PLC152061) is a public limited company incorporated and domiciled in India. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

The Company including its branches, jointly controlled operations and its subsidiaries (as detailed in note 3.3) is herein after together referred to as the 'Group'.

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses.

The Company's manufacturing footprint extends across three countries in addition to India. The Company has several international branch offices enabling diversified global footprint.

2. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

New standards adopted by the Group:

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12
- The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets under defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Summary of material accounting policies is as under:

Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. supply or construction contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly, for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle, except for amounts with respect to legal cases or long pending disputes.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:-

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company looses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component's other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the transferred asset.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

The following subsidiaries have been considered in preparation of the consolidated financial statements:

	Country of Incorporation	% of ownership interest either directly or through subsidiaries	
		As at March 31, 2024	As at March 31, 2023
Direct Subsidiaries			
RPG Transmission Nigeria Limited	Nigeria	100	100
KEC Towers LLC	UAE	100	100
KEC Investment Holdings, Mauritius	Mauritius	100	100
KEC Global Mauritius (up to September 24, 2023)	Mauritius	-	100
KEC International (Malaysia) SDN BHD	Malaysia	100	100
KEC Power India Private Limited	India	100	100
KEC Spur Infrastructure Private Limited	India	100	100
Indirect Subsidiaries			
SAE Towers Holdings LLC	USA	100	100
SAE Towers Brazil Subsidiary Company LLC	USA	100	100
SAE Towers Mexico Subsidiary Holding Company LLC	USA	100	100

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

	Country of Incorporation	% of ownership interest either directly or through subsidiaries	
		As at March 31, 2024	As at March 31, 2023
SAE Towers Mexico S de RL de CV	Mexico	100	100
SAE Towers Brazil Torres de Transmission Ltda	Brazil	100	100
SAE Prestadora de Servicios Mexico, S de RL de CV	Mexico	100	100
SAE Towers Ltd	USA	100	100
SAE Towers Construcao Ltda (formerly known as SAE Engenharia E Construcao Ltda)	Brazil	100	100
KEC Engineering & Construction Services, S de RL de CV	Mexico	100	100
KEC EPC LLC	UAE	100	100

3.4 Revenue recognition

The Group derives revenue principally from following streams:

- Sale of products (towers and cables)
- Sale of services
- Construction contracts
- Other Operating Revenue

3.4.1 Sale of products:

The Group recognizes revenue in relation to sale of tower/cable and ancillary products when it satisfies a performance obligation in accordance with the contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when legal title, physical possession, risk of obsolescence, loss and rewards of ownership pass to the customer and the group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the group expects to be entitled to in exchange for transferring of promised goods and services to the customer. Transaction price excludes taxes and duties collected on behalf of the government. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

3.4.2 Construction contracts:

The Group enters into engineering, procurement and construction contracts ('EPC') which are fixed price contracts or variable price contracts. Revenue is recognized from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Transaction price does not include any significant financing component.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgement. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. 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. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Group's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the balance sheet. Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3.4.3 **Sale of services:**

Services rendered include tower testing and designing, operating and maintenance and other services.

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

3.4.4 **Other Operating Revenue:**

Export benefits under Mercantile Export from India Scheme (MEIS), Service Export from India Scheme (SEIS), Duty Drawback benefits and Remission of Duties and Taxes on Export Products Scheme (RoDTEP) are accounted as revenue on accrual basis as and when export of goods take place, where there is a reasonable assurance that the benefit will be received and the Group will comply with all the attached conditions.

3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is

Notes

calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, the equity interests issued by the Group in exchange of control of the acquiree and fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are generally recognised in the Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind *AS 12 Income Taxes and Ind AS 19 Employee Benefits* respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.5 above) less accumulated impairment losses, if any. Goodwill is not amortised but it is tested for impairment.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.7 Interests in Jointly Controlled Operations

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement 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 jointly controlled operations, the Group as a joint operator recognises in relation to its interest in a jointly controlled operation the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the applicable Ind AS.

When a group entity transacts with a jointly controlled operation in which a group entity 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 consolidated financial statements only to the extent of other parties' interests in the jointly controlled operation.

When a group entity transacts with a jointly controlled operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.8 Leasing

As a lessee:

The Group assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases having lease term of 12 months or less and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Lease Liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. and includes the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payments that vary to reflect changes in market rental rates, if any
- Amounts expected to be payable by the Group under residual value guarantees, if any
- Exercise price of the purchase option, if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Short-term leases and leases of low-value assets

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with lease term of 12 months or less.

As a lessor:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

3.9 Foreign currency transactions

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (functional currency). For each branch, jointly controlled operations and subsidiary situated outside India, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency of that respective branch, jointly controlled operations and subsidiaries. The functional and presentation currency of the Group is Indian Rupees (INR). The financial statements are presented in Indian rupees (INR).

3.9.1 Accounting for transactions and balances in foreign currencies

Foreign currency transactions are recorded in the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency at the year end exchange rate are generally recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

In case of consideration paid or received in advance for foreign currency denominated contracts, the related expense or income is recognised using the rate on the date of transaction on initial recognition of a related asset or liability.

Exchange differences on settlement or translation of monetary items are recognised in the Statement of Profit and Loss in t he period in which they arise. except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.22 below for hedging accounting policies);

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3.9.2 Translation of foreign operations whose functional currency is other than presentation currency:

1. Assets and liabilities, both monetary and non- monetary are translated at the rates prevailing at the end of each reporting period and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

2. Income and expense items are translated at the exchange rates at the dates of the transactions and all 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.

3.10 Borrowing costs

Finance expenses are recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale in which case they are capitalised until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

3.11 Employee benefits

3.11.1 Long Term Employee Benefits :

(a) Defined Contribution Plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund and provident fund are recognised as expense when employees have rendered service entitling them to the contributions. The Group has no further payment obligation once the contribution have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

(b) Defined Benefit Plans:

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary. The Company's contribution to the provident fund for all employees are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

The defined benefit plan of the Company, its subsidiaries and its jointly controlled operations at India i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation of an amount equivalent to 15 days salary for completed years of service and on death while in employment an amount equivalent to 15 days salary for anticipated years of service in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

In case of jointly controlled operation at Al-Sharif Group and KEC Ltd Company and Saudi Arabia (Al Sharif JV), the defined benefit plan i.e. End Service Benefit (ESB), provides for lump sum payment to vested employees on resignation/ termination or retirement on an amount equivalent to 15 days salary upto 5 years and one month salary from 6th year onwards for each completed year of service or part thereof on proportionate basis according to the law applicable in Saudi. Vesting occurs upon completion of two years of service.

In case of subsidiary at Malaysia, the defined benefit plan i.e. Gratuity Plan, provides for lump sum payment to vested employees on resignation/ termination or retirement and on death while in employment, an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months in terms of gratuity scheme provided by the subsidiary company or as

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per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

The defined benefit plan of subsidiary at Dubai i.e. gratuity plan, provides for lump sum payment to vested employees on separation (including death), an amount equivalent to 1.75 days for each month for first 60 months and beyond 60 months, 2.5 days per month, for each completed years of service and on voluntary termination, proportionate amount based on number of years of service in terms of Gratuity scheme of the subsidiary at Dubai or as per payment of the Gratuity Act of Dubai, whichever is higher. Vesting occurs upon completion of one year of service. However, on death of an employee, there is no minimum service requirement.

In case of subsidiary at US, it has a post employment scheme for pension, which is unfunded.

The liability recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligations are determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method.

(c) Compensated absences:

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 therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The Obligations are presented as either current or non-current liabilities on the balance sheet, depending on whether the entity has an unconditional right to defer settlement for at least twelve months after the reporting period. If the entity lacks this unconditional right, regardless of when settlement is expected to occur, the obligations are classified as current liabilities. Conversely, if there exists an unconditional right to defer settlement for more than twelve months after the reporting period, the obligations are presented as non-current liabilities on the balance sheet.

3.11.2 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.

3.12 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

3.12.1 Current tax

The Group'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 Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to

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interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

3.12.2 Deferred tax

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. 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled operations, except where it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, 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 difference can be utilised.

Deferred tax assets and liabilities are offset when there is a 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 entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and credits only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3.12.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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3.13 Property, plant and equipment

Property, plant and equipment (except freehold land) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation commences when the assets are ready for their intended use. Depreciation on Property, Plant and Equipment has been provided on the straight-line method over their estimated useful life, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these Property, Plant and Equipment is mentioned below:

Particulars	Estimated useful life (in years)
Buildings (including roads and temporary structures)	3-60
Plant and Equipment/ Office Equipment	5-25
Erection tools	3-5
Furniture and Fixtures	10
Vehicles	6-8
Computers	3-6

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

Capital work-in-progress

Capital work-in-progress comprises the cost of assets that are not yet ready for their intended use at the year end and are stated at historical cost and impairment, if any. Capital work-in-progress also includes spares which are yet to be put to use.

3.14 Intangible assets

3.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.14.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

3.14.3 Research and development costs

Research expenditure and development expenditure that do not meet the criteria mentioned in Ind AS 38 are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

3.14.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

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3.14.5 Useful lives of intangible assets

Brand in respect of the power transmission business acquired under the High Court approved Composite Scheme of Arrangement in an earlier year is amortised by the Company in terms of the said Scheme over its useful life, which based on an expert opinion is estimated to be of 20 years. Non-compete fees paid on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non-compete agreement i.e. 3 years. Customer Contracts obtained on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on a estimated useful life of 2.5 years.

Computer Software are amortised on straight line basis over the estimated useful life ranging between 4-6 years.

3.15 Impairment of Non-current assets (excluding Goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its Property, plant and equipment, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), other than goodwill 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 Consolidated Statement of Profit and Loss.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

3.16 Investment

The Group classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. (Refer 3.19)

3.17 Inventories

Inventories (raw material, work-in-progress, finished goods, stores and spares) are stated at the 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.

3.18 Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the management's 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).

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When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised, measured and disclosed as provisions in consolidated financial statements. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranty Provision: Provisions for warranty related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets: A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

3.19 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets except trade receivables 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 Consolidated Statement of Profit and Loss.

Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3.20 Classification and Measurement Financial Assets

3.20.1 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.

Effective interest method

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as FVTPL or FVOCI. Interest income is recognised in the Consolidated Statement of Profit and Loss.

3.20.2 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 Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

3.20.3 Dividend income is recognised when the right to receive payment has been established.

3.20.4 Impairment of financial assets

The Group recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for 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. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

3.20.5 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 asset. The Group continues to recognise the asset 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 recognised in other comprehensive income and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

3.21 Classification and Measurement Financial liabilities and equity instruments

3.21.1 Classification as debt or equity

Debt and equity instruments issued by a group entity 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.

3.21.2 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 the Group are recognised at the proceeds received, net of direct issue costs.

3.21.3 Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

3.21.4 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

3.21.5 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 the Group entity are initially measured at their fair value 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, 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, 'Revenue from Contract with Customers'.

3.20.6 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 with a new 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 the Consolidated Statement of Profit and Loss.

3.22 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks, including foreign exchange forward contracts, and commodity contracts-Over the Counter (OTC) derivatives. Derivatives are only used for economic hedging purposes and not as a speculative investment.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are

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subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated 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 Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.23 Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk and commodity price risk as cash flow hedges. Hedges of foreign exchange risk and commodity price risk for highly probable forecast transactions are accounted for as cash flow hedges. Hedges of the fair value of recognised assets or liabilities are accounted for as fair value hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

3.23.1 Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. For cash flow hedging relationships that span multiple reporting periods, the ineffectiveness for the period is calculated as the difference between the cumulative ineffectiveness as at reporting date (based on the 'lesser of' the cumulative change in the fair value of the hedging instrument and the hedged item), and the cumulative ineffectiveness reported in prior periods.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects the Consolidated Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Consolidated Statement of Profit and Loss.

Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss through cost of material consumed.

3.24 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 financial institutions, other short term highly liquid investments 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.

3.25 Segment reporting

The Group delivers projects in key infrastructure sectors such as power transmission and distribution, railways track laying, electrification, civil, urban infrastructure, oil and gas pipelines etc. through its various Strategic Business Units (SBUs). The nature of the entire business remains within the boundaries of development of infrastructure, adhering to a consistent execution methodology used across stages such as Design/Engineering, Procurement, and Construction. Each project may have distinct characteristics in terms of scale and type, but the fundamental process centered around construction/erection is consistent across all these SBUs. The class of the customers across segment is primarily Government, Public Sector undertaking (PSU's), State Governments, Utilities and large Private Sector. Over long-term basis, the margin profiles on each of these SBUs is also in the

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similar range, however the same may differ on Project to Project basis in the short term.

Considering the similarity in the economic characteristics and nature of these Engineering, Procurement, and Construction ('EPC') businesses, the Company has applied aggregation criteria for reportable segment under IndAS 108 and disclosed EPC segment as one of the reportable segment.

3.26 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3.27 Exceptional items:

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 consolidated financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

3.28 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

4. CRITICAL ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 3, the Management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the consolidated financial statements.

4.1 Classification of Joint Arrangement as a Jointly Controlled Operation

In terms of Ind AS 111, 'Joint Arrangement' the Company has classified its joint arrangements as jointly controlled operations in the Standalone Financial Statements of the Company as the contractual arrangements between the parties specify that parties have rights to the assets, and obligations for the liabilities, relating to the arrangement (Refer note 49 for the list of joint arrangements).

4.2 Revenue recognition for construction contracts

Refer note 3.4.2 and note 50.

4.3 Income Taxes

In preparing the consolidated financial statements, the Group recognises income taxes in each of the jurisdictions in which it operates. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Group determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4.4 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

Particulars	Freehold Land	Buildings	Plant and Equipment	Erection Tools	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount									
As at March 31, 2022	**143.34**	**400.90**	**930.71**	**208.81**	**31.12**	**63.62**	**15.01**	**54.12**	**1,847.63**
Additions	-	22.12	57.27	71.90	0.23	2.09	1.66	6.78	**162.05**
Disposal	-	1.50	25.62	13.29	4.01	4.41	1.82	6.75	**57.40**
Adjustments	5.80	16.39	13.08	(0.10)	(0.46)	1.15	(0.24)	0.55	**36.17**
As at March 31, 2023	**149.14**	**437.91**	**975.44**	**267.32**	**26.88**	**62.45**	**14.61**	**54.70**	**1,988.45**
Additions	-	13.94	66.26	123.17	0.43	6.18	0.92	11.79	**222.69**
Disposal	-	0.57	5.74	6.75	0.37	3.86	0.34	2.22	**19.85**
Adjustments	1.42	3.18	0.11	0.25	(0.31)	0.31	0.00	(1.01)	**3.95**
As at March 31, 2024	**150.56**	**454.46**	**1,036.07**	**383.99**	**26.63**	**65.08**	**15.19**	**63.26**	**2,195.24**
Accumulated depreciation:									
As at March 31, 2022	**-**	**124.36**	**475.55**	**114.65**	**21.46**	**47.32**	**11.34**	**41.00**	**835.68**
Depreciation Expenses (Refer note 45)	-	18.73	52.24	38.81	1.98	3.41	1.14	5.49	**121.80**
Disposal	-	1.47	16.11	13.23	3.90	4.24	1.79	6.07	**46.81**
Adjustments	-	4.65	5.00	(0.15)	(0.47)	1.12	(0.24)	0.64	**10.55**
As at March 31, 2023	**-**	**146.27**	**516.68**	**140.08**	**19.07**	**47.61**	**10.45**	**41.06**	**921.22**
Depreciation Expenses (Refer note 45)	-	19.51	59.89	53.50	1.71	3.14	1.18	7.03	**145.96**
Disposal	-	0.45	3.92	6.17	0.27	3.62	0.32	1.94	**16.69**
Adjustments	-	2.16	1.12	(0.20)	0.08	(0.31)	(0.07)	0.75	**3.53**
As at March 31, 2024	**-**	**167.49**	**573.77**	**187.21**	**20.59**	**46.82**	**11.24**	**46.90**	**1,054.02**
Net carrying amount									
As at March 31, 2023	**149.14**	**291.64**	**458.76**	**127.24**	**7.81**	**14.84**	**4.16**	**13.64**	**1,067.23**
As at March 31, 2024	**150.56**	**286.97**	**462.30**	**196.78**	**6.04**	**18.26**	**3.94**	**16.37**	**1,141.22**

Note 5.1

a) Freehold land at Mysore which was not held in the name of the Company as on March 31, 2023 has now been transferred in the name of the Company during the year ended March 31, 2024.

b) For details of Property, plant and equipment having gross carrying amount aggregating ₹ 773.69 crore (As at March 31, 2023 ₹ 560.20 crore), which are pledged as security for borrowings - Refer Notes 25 and 30.

Note 5.2

Adjustments represents foreign currency exchange translation adjustment on account of a branch, jointly controlled operations and foreign subsidiaries which have a different functional currency.

Note 5.3

Refer Note 56 (ii) for disclosure of contractual commitments for acquisition of property, plant and equipment.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 6 - RIGHT-OF-USE ASSETS (REFER NOTE 51)

₹ in Crore

Description	Buildings	Land	Plant & Machinery	Vehicles	Total
Gross Carrying Amount					
As at March 31, 2022	**129.54**	**178.37**	**3.01**	**0.82**	**311.74**
Additions	0.21	-	-	-	**0.21**
Disposal	10.59	0.53	-	0.13	**11.25**
Adjustments (Refer Note 6.1)	5.67	9.74	0.06	-	**15.47**
As at March 31, 2023	**124.83**	**187.58**	**3.07**	**0.69**	**316.17**
Additions	0.76	-	-	-	**0.76**
Disposal	0.08	-	2.22	0.69	**2.99**
Adjustments (Refer Note 6.1)	1.06	1.76	0.01	-	**2.83**
As at March 31, 2024	**126.57**	**189.34**	**0.86**	**-**	**316.77**
Accumulated Depreciation					
As at March 31, 2022	**50.82**	**26.39**	**2.45**	**0.76**	**80.42**
Depreciation expense (Refer note 45)	14.13	8.83	0.46	0.07	**23.49**
Disposal	5.10	0.54	-	0.14	**5.78**
Adjustments (Refer Note 6.1)	1.99	1.44	0.04	-	**3.47**
As at March 31, 2023	**61.84**	**36.12**	**2.95**	**0.69**	**101.60**
Depreciation expense (Refer note 45)	12.81	8.83	0.22	-	**21.86**
Disposal	0.08	-	2.22	0.69	**2.99**
Adjustments (Refer Note 6.1)	0.41	0.74	(0.09)	-	**1.06**
As at March 31, 2024	**74.98**	**45.69**	**0.86**	**-**	**121.53**
Net carrying amount					
As at March 31, 2023	**62.99**	**151.46**	**0.12**	**-**	**214.57**
As at March 31, 2024	**51.59**	**143.65**	**-**	**-**	**195.24**

Note 6.1

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.

NOTE 7 - CAPITAL WORK IN PROGRESS (CWIP):

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	**11.45**	**2.46**
Addition during the year	229.38	174.72
Capitalisation during the year	(227.02)	(165.79)
Effect of translation adjustment (gain)/loss	0.11	0.06
Closing Balance	**13.92**	**11.45**

Notes

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Note 7.1 CWIP ageing schedule

CWIP ageing schedule as at March 31, 2024

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11.39	0.95	0.63	0.95	**13.92**
Projects temporarily suspended	-	-	-	-	**-**

CWIP ageing schedule as at March 31, 2023

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	9.38	1.12	0.95	-	11.45
Projects temporarily suspended	-	-	-	-	-

Note 7.2 Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

₹ in Crore

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

NOTE 8 - GOODWILL

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	268.49	249.70
Effect of foreign currency exchange difference recognised in other comprehensive income (OCI)	3.64	18.79
Balance at the end of year	**272.13**	**268.49**

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount whenever there is any indication of impairment.

For the purpose of impairment testing, SAE's entire business is considered as one Cash Generating Unit.

The recoverable amount of this Cash Generating Unit is based on value in use. The value in use is determined based on discounted cash flow projections. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of value in use are set out below :

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	11.55% to 15.49%	11.59% to 13.43%
Terminal value growth rate	3.00%	3.00%
Period considered for discounting	5 years	5 years

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

The cash flow projections include specific estimates for five years and terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the EBITDA margins at SAE level.

Based on the above, no impairment was identified as of March 31, 2024, as the recoverable amount of the CGU exceeded the carrying value.

NOTE 9 - INTANGIBLE ASSETS

₹ in Crore

Particulars	Brands (Refer Note 9.1)	Computer softwares	Non Compete Fees (Refer Note 9.3)	Customer Contracts	Total
Gross carrying amount					
As at March 31, 2022	**240.00**	**88.87**	**0.58**	**4.44**	**333.89**
Additions	-	3.74	-	-	**3.74**
Disposal	-	0.02	-	-	**0.02**
Adjustments (Refer 9.2)	-	0.72	-	-	**0.72**
As at March 31, 2023	**240.00**	**93.31**	**0.58**	**4.44**	**338.33**
Additions	-	4.32	-	-	**4.32**
Disposal	-	0.06	-	-	**0.06**
Adjustments (Refer 9.2)	-	0.35	-	-	**0.35**
As at March 31, 2024	**240.00**	**97.92**	**0.58**	**4.44**	**342.94**
Accumulated amortisation					
As at March 31, 2022	**204.00**	**84.22**	**0.10**	**0.89**	**289.21**
Amortisation expense (Refer note 45)	12.00	2.22	0.19	1.78	**16.19**
Disposal	-	0.01	-	-	**0.01**
Adjustments (Refer 9.2)	-	0.41	-	-	**0.41**
As at March 31, 2023	**216.00**	**86.84**	**0.29**	**2.67**	**305.80**
Amortisation expense (Refer note 45)	12.00	3.58	0.19	1.77	**17.54**
Disposal	-	0.03	-	-	**0.03**
Adjustments (Refer 9.2)	-	(0.05)	-	-	**(0.05)**
As at March 31, 2024	**228.00**	**90.34**	**0.48**	**4.44**	**323.26**
Net carrying amount					
As at March 31, 2023	24.00	6.47	0.29	1.77	**32.52**
As at March 31, 2024	**12.00**	**7.58**	**0.10**	**-**	**19.68**

Note 9.1

Brands include brand of the power transmission business amounting ₹ 240 crore which was acquired by the Company under the High Court approved Composite Scheme of Arrangement (the 'Scheme') in an earlier year. In terms of the Scheme, the brand is being amortised by the Company over its useful life, which based on an expert opinion is estimated to be of 20 years. The remaining amortisation period is 1 year (as at March 31, 2023 - 2 years).

Note 9.2

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.

Note 9.3 : Non Compete fees paid on acquisition of KEC Spur Infrastructure Private Limited.(formerly known as Spur Infrastructure Private Limited) are amortized on a straight line basis over the term of Non Compete agreement i.e. 3 years. The remaining amortisation period is 6 months. (as at March 31, 2023 - 1 year 6 months).

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 10 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current:		
Investment in equity shares (at fair value through other comprehensive income)		
Unquoted		
4900 Fully paid Equity Shares of ₹ 10 each of RP Goenka Group of Companies Employees Welfare Association	★	★
	★	★
Aggregate book value of unquoted investments	★	★
Aggregate provision for diminution in value of investments	-	-

★ less than rounding off norms adopted by the Group.

As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Entity)', no portion of income or property shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to members of the Entity. Any surplus upon winding up or dissolution of the Entity shall not be distributed amongst the members of the Entity but shall be given or transferred to such other Companies having objects similar to the objects of this Entity, to be determined by the members of the Entity at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

As, there are significant restrictions on the ability of the Entity to transfer funds to the Group in the form of cash dividends, the fair value of the Group's interest in the Entity is concluded to be equal to cost.

NOTE 11 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current trade receivables - Unsecured		
(i) Considered good	345.68	384.10
(ii) Having significant increase in credit risk	-	-
(iii) Credit impaired	-	-
	345.68	**384.10**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	57.34	24.80
	288.34	**359.30**

*** Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer Note - 53B.3)**

Particulars	₹ in Crore
Balance as at March 31, 2022	11.15
Add: Created during the year	10.26
Add: Transfer from current trade receivable	7.52
Less: Released during the year	4.13
Balance as at March 31, 2023	**24.80**
Add: Created during the year	26.64
Add: Transfer from current trade receivable	12.14
Less: Released during the year	6.24
Balance as at March 31, 2024	**57.34**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Note 11.1: Trade receivables (non current) ageing

As at March 31, 2024

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Non-Current Trade Receivable							
Undisputed – considered good	134.39	-	-	19.40	88.93	99.72	**342.44**
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	**-**
Undisputed – Credit Impaired	-	-	-	-	-	-	**-**
Disputed – considered good	3.24	-	-	-	-	-	**3.24**
Disputed – Having significant increase in credit risk	-	-	-	-	-	-	**-**
Disputed – Credit Impaired	-	-	-	-	-	-	**-**
Total	**137.63**	**-**	**-**	**19.40**	**88.93**	**99.72**	**345.68**

As at March 31, 2023

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Non-Current Trade Receivable							
Undisputed – considered good	152.52	-	13.37	89.89	117.30	11.02	**384.10**
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	**-**
Undisputed – Credit Impaired	-	-	-	-	-	-	**-**
Disputed – considered good	-	-	-	-	-	-	**-**
Disputed – Having significant increase in credit risk	-	-	-	-	-	-	**-**
Disputed – Credit Impaired	-	-	-	-	-	-	**-**
Total	**152.52**	**-**	**13.37**	**89.89**	**117.30**	**11.02**	**384.10**

NOTE 12 -OTHER FINANCIAL ASSETS

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
Non-current			
a)	**Contractually reimbursable expenses (Considered good)**	13.92	28.95
b)	**Security Deposits, Unsecured :**		
	Considered good	48.02	47.25
	Having significant increase in credit risk	-	
	Credit impaired	0.17	0.76
	Less: Allowance for bad and doubtful security deposits (Refer Note 12.1)	0.17	0.76
		48.02	**47.25**
		61.94	**76.20**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Movement in the allowance for bad and doubtful security deposit (Expected Credit Loss)

Note 12.1

Particulars	₹ in Crore
Balance as at March 31, 2022	**0.76**
Add: Created during the year	-
Less: Released during the year	-
Balance as at March 31, 2023	**0.76**
Add: Created during the year	-
Less: Released during the year	0.59
Balance as at March 31, 2024	**0.17**

NOTE 13 - NON-CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax payments less provisions	294.06	268.03
	294.06	**268.03**

NOTE 14 - OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Capital Advances	6.26	0.04
(b) Balance with Government authorities		
- Excise duty	24.45	24.50
- VAT Credit / WCT /Service tax receivables	137.01	127.79
- GST Receivable	0.15	14.84
- Sales tax/ excise duty/service tax/ entry tax, etc. paid under protest	47.09	28.57
- Others (includes amounts towards judicial deposits)	7.58	10.37
	216.28	**206.07**
(c) Prepaid expenses	10.89	11.77
	233.43	**217.88**

NOTE 15 - INVENTORIES

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Inventories (lower of cost and net realisable value)		
(a) Raw materials		
(i) in stock	815.99	754.24
(ii) in-transit	10.08	7.44
	826.07	**761.68**
(b) Work-in-progress	38.85	112.40
(c) Finished goods	291.27	212.02
(d) Stores and spares	41.58	37.19
(e) Scrap	15.54	13.87
	1,213.31	**1,137.16**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 16 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables - Unsecured (Refer notes 16.1, 16.2 and 53B.3)		
(a) Considered good	4,221.67	4,365.87
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	-
	4,221.67	**4,365.87**
Less: Allowance for bad and doubtful debts (expected credit loss allowance)*	85.05	84.20
	4,136.62	**4,281.67**

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer Note 53B.3)

Particulars	₹ in Crore
Balance as at March 31, 2022	**78.51**
Add: Created during the year	20.27
Less: Transfer to non current trade receivables	7.52
Less: Released during the year	7.19
Add: Exchange flactuation	0.13
Balance as at March 31, 2023	**84.20**
Add: Created during the year	27.80
Less: Transfer to non current trade receivables	12.14
Less: Released during the year	14.40
Add: Exchange flactuation	(0.41)
Balance as at March 31, 2024	**85.05**

Note 16.1: Transfer of financial assets

The Group has discounted trade receivables with an aggregate carrying amount of ₹ 321.29 crore (₹ 177.54 crores during the previous year ended March 31, 2023) with banks for cash proceeds of ₹314.87 crore during the current year (during the previous year ended March 31, 2023 is ₹ 175.47 crore). These arrangements are "non-recourse" to the Company and accordingly, the Company has derecognised these receivables as at March 31, 2024. Amount charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 7.54 Crores. (During the previous year ₹2.07 crores)

Further, the Group has discounted certain trade receivables with the banks "with recourse" to the Company. The carrying amount of such receivables as at March 31, 2024 ₹ 29.70 crore (As at March 31, 2023 ₹ 68.05 crores) are recognised as trade receivables and corresponding carrying amount of associated liabilities of ₹ 29.70 crore (As at March 31, 2023 ₹ 68.05 crore) are recognised as secured borrowings (Note 30). There are restriction on further selling and pledging of these receivables.

Note 16.2 Receivable from related parties is ₹7.07 crore (As at March 31, 2023 ₹0.51 crore).

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Note 16.3: Trade receivables ageing

As at March 31, 2024

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed – considered good	2,697.54	880.02	139.52	253.26	156.58	13.45	**4,140.37**
Undisputed – Having significant increase in credit risk	-	25.50	0.93	3.54	1.02	0.10	**31.09**
Undisputed – Credit Impaired	-	-	-	-	-	-	**-**
Disputed – considered good	6.69	0.28	0.05	0.26	3.88	16.10	**27.26**
Disputed – Having significant increase in credit risk	-	-	-	-	-	22.95	**22.95**
Disputed – Credit Impaired	-	-	-	-	-	-	**-**
Total	**2,704.23**	**905.80**	**140.50**	**257.06**	**161.48**	**52.60**	**4,221.67**

As at March 31, 2023

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed – considered good	2,532.57	939.97	357.25	290.12	173.08	40.75	**4,333.74**
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	**-**
Undisputed – Credit Impaired	-	-	-	-	-	-	**-**
Disputed – considered good	1.89	0.10	0.10	2.84	0.70	1.03	**6.66**
Disputed – Having significant increase in credit risk	-	-	-	2.52	4.71	18.24	**25.47**
Disputed – Credit Impaired	-	-	-	-	-	-	**-**
Total	**2,534.46**	**940.07**	**357.35**	**295.48**	**178.49**	**60.02**	**4,365.87**

NOTE 17 - CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Balances with banks		
(i) In current accounts	113.96	239.77
(ii) In deposit accounts	82.46	34.09
	196.42	**273.86**
(b) Cash on hand	8.68	7.30
	205.10	**281.16**

Note 17.1 There are restrictions on repatriations with regards to cash and cash equivalents as at March 31, 2024 of ₹ 1.50 crore (as at March 31, 2023, ₹ 7.49 crore)

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 18 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
(i)	Earmarked balances with banks - unpaid dividend accounts	2.97	3.00
(ii)	Bank deposit with original maturity of more than 3 months but less than 12 months	0.46	6.14
(iii)	Balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments.	64.75	53.86
		68.18	**63.00**

NOTE 19 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
Unsecured, considered good			
(i)	Sundry Deposits	57.27	93.91
(ii)	Interest accrued on fixed deposits	2.38	0.14
(iii)	Insurance claims	0.20	0.64
(iv)	Mark to market gain on forward and commodity contracts (Refer note 53C)	39.79	14.96
(v)	Contractually reimbursable expenses	48.87	54.96
		148.51	**164.61**

NOTE 20 - CONTRACT ASSETS

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Amount due from customers for contract work	6,488.12	4,859.17
Retention Money	2,643.53	2,614.39
Less: Allowance for contract assets (Refer Note 20.1)	43.28	7.95
	9,088.37	**7,465.61**

Note 20.1 Movement in allowance on contract assets (expected credit loss allowance) (Refer note 53B.3)

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	7.95	5.09
Additions	36.11	2.86
Reversals	0.78	-
Closing balance	**43.28**	**7.95**

The contract assets represents amounts due from customers, 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 the invoice is raised on achievement of contractual milestones. This usually occurs when the Company issues an invoice to the customer.

The contract liabilities represents advance from customers and amount due to customers, primarily relate to invoice raised on customers on achievement of milestones for which revenue is to be recognised over a period of time. (Refer note 34).

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 21 - CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax payments less provisions	179.89	53.16
	179.89	**53.16**

NOTE 22 - OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Advances to suppliers	246.92	158.22
Less: Provision (Refer Note 22.2)	1.88	-
	245.04	**158.22**
Employee advances	20.93	13.25
VAT credit / WCT receivables	134.31	187.85
GST receivable	480.96	417.30
GST/Excise rebate receivable on exports	56.77	42.87
Prepaid expenses	151.74	147.62
Export benefits	25.67	19.68
Assets classified as held for sale (Refer Note 22.1)	2.45	2.45
	1,117.87	**989.24**

Note 22.1 - Details of assets classified as held for sale

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Leasehold Land at Jaipur [(Refer Note 22.1 (a)]	2.45	2.45
Total	**2.45**	**2.45**

(a) The Company has signed a Memorandum of Understanding (MOU) against which the Company had received sales consideration amounting to ₹ 9.41 crore (as at March 31, 2023 ₹ 9.41 crore) [(Refer note 35 (a)]. However, the title and possession of the land is yet to be transferred due to pending approvals from the regulatory authorities.

Note 22.2 Movement in allowance Advances to suppliers

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**-**	**-**
Additions	1.88	-
Reversals	-	-
Closing balance	**1.88**	**-**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 23 - SHARE CAPITAL

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	₹ in crore	Nos.	₹ in crore
Authorised:				
Equity Shares:				
Equity Shares of ₹2 each	570,000,000	114.00	570,000,000	114.00
Preference Shares				
Redeemable Preference Shares of ₹ 100 each	1,500,000	15.00	1,500,000	15.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity Shares of ₹ 2 each fully paid up	257,088,370	51.42	257,088,370	51.42
	257,088,370	**51.42**	**257,088,370**	**51.42**

Note 23.1 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in crore
Equity Shares Outstanding as at April 01, 2022	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2023	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2024	**257,088,370**	**51.42**

Note 23.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

Sr. No.	Name of the shareholder*	As at March 31, 2024		As at March 31, 2023	
		No. of Shares Held	Percentage of Shares held	No. of Shares Held	Percentage of Shares held
1	Swallow Associates LLP	67,756,616	26.36	67,756,616	26.36
2	Summit Securities Limited	28,171,543	10.96	28,171,543	10.96
3	Instant Holdings Limited	22,299,165	8.67	22,299,164	8.67
4	HDFC Trustee Company Limited	20,570,996	8.00	22,813,728	8.87

** Shares held in multiple folios have been combined*

Note 23.3 The Company has only one class of Equity shares having face value of ₹ 2 each. Each holder of equity shares is entitled to one vote per equity share. The Company in its General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board.

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 preferential amounts.

Notes

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Note 23.4 Shares held by promoters and promoter group at the end of the year

Sr. No.	Promoter name	As at March 31, 2024			As at March 31, 2023		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Promoter							
1	Harsh Vardhan Goenka	5,042,917	1.96	-	5,042,917	1.96	-
Promoter Group							
2	Anant Vardhan Goenka	40,000	0.02	-	40000	0.02	-
3	Mala Goenka	50	0.00	-	50	0.00	-
4	RG Family Trust (Mr.Anant Vardhan Goenka is a Trustee)	10	0.00	-	10	0.00	-
5	AVG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)	10	0.00	-	10	0.00	-
6	Ishaan Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	0.00	-	10	0.00	-
7	Navya Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	0.00	-	10	0.00	-
8	Radha Anant Goenka	10	0.00	-	10	0.00	-
9	Nucleus Life Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	0.00	-	1	0.00	-
10	Prism Estate Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	0.00	-	1	0.00	-
11	Secura India Trust (Mr.Harsh Vardhan Goenka is a Trustee)	101	0.00	-	101	0.00	0.00%
12	Swallow Associates LLP	67,756,616	26.36	-	67,756,616	26.36	-
13	Summit Securities Limited	28,171,543	10.96	-	28,171,543	10.96	0.03%
14	Instant Holdings Limited	22,299,165	8.67	-	22,299,164	8.67	0.03%
15	Stel Holdings Limited	5,011,891	1.95	-	5,011,891	1.95	-
16	Carniwal Investments Limited	2,970,981	1.16	-	2,970,981	1.16	-
17	Chattarpati Apartments LLP	1,790,785	0.70	-	1,790,785	0.70	-
18	Ektara Enterprises LLP	10	0.00	-	10	0.00	-
19	Malabar Coastal Holdings LLP	10	0.00	-	10	0.00	-
20	Sofreal Mercantrade Pvt Ltd	10	0.00	-	10	0.00	-
21	Vayu Udaan Aircraft LLP	10	0.00	-	10	0.00	-
22	Sudarshan Electronics and TV Ltd	-	0.00	-	1	0.00	-
23	RPG Ventures Limited	284,950	0.11	-	284,950	0.11	-
24	Atlantus Dwellings and Infrastructure LLP	10	0.00	-	10	0.00	-

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 24 OTHER EQUITY

₹ in Crore

Particulars	Reserves and Surplus							Other Comprehensive Income			Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	
Notes	**(a)**	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	
Balance as at March 31, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.26**	**8.36**	**31.12**	**1.93**	**3,568.52**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.26**	**8.36**	**31.12**	**1.93**	**3,568.52**
Profit for the year	-	-	-	-	-	-	176.03	-	-	-	**176.03**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(8.23)	86.47	(0.46)	**77.78**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**176.03**	**(8.23)**	**86.47**	**(0.46)**	**253.81**
Transactions with owners in their capacity as owner	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to Statutory reserve	-	-	-	-	1.36	-	(1.36)	-	-	-	-
Dividends	-	-	-	-	-	-	(102.83)	-	-	-	**(102.83)**
Balance as at March 31, 2023	**84.98**	**0.04**	**86.75**	**14.28**	**4.44**	**191.72**	**3,218.61**	**0.13**	**117.59**	**1.47**	**3,720.00**
Balance as at April 01, 2023	**84.98**	**0.04**	**86.75**	**14.28**	**4.44**	**191.72**	**,218.61**	**0.13**	**117.59**	**1.47**	**3,720.00**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2023	**84.98**	**0.04**	**86.75**	**14.28**	**4.44**	**191.72**	**3,218.61**	**0.13**	**117.59**	**1.47**	**3,720.01**
Profit for the year	-	-	-	-	-	-	346.78	-	-	-	**346.78**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	23.22	29.15	1.83	**54.20**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**346.78**	**23.22**	**29.15**	**1.83**	**400.98**
Transactions with owners in their capacity as owner											
Increase on account of capital reduction of a subsidiary	-	-	-	-	-	(2.55)	2.55	-	-	-	-
Reduction on account of closure of subsidiary	-	-	-	-	-	-	0.12	-	0.29	-	**0.41**
Transfer to Statutory reserve	-	-	-	-	3.18	-	(3.18)	-	-	-	-
Dividends	-	-	-	-	-	-	(77.12)	-	-	-	**(77.12)**
Balance as at March 31, 2024	**84.98**	**0.04**	**86.75**	**14.28**	**7.62**	**189.17**	**3,487.76**	**23.35**	**147.03**	**3.30**	**4,044.28**

Note (a) Capital reserve was created on account of merger of RPG Cables Limited (RPGCL) with the Company pursuant to the Scheme of Amalgamation in the financial year 2009-2010.

Note (b) Capital Reserve on consolidation was created on acquisition of two subsidiaries, where the net assets were more than the consideration paid in earlier years

Note (c) Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013.

Note (d) Capital Redemption Reserve was created upon redemption of preference shares. The preference shares were redeemed in the financial years 2007-08 and 2008-09.

Note (e) Statutory reserve pertains to the Joint Operation at Saudi Arabia. In accordance with the Saudi Arabian Companies law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Joint Operation. It also consists of Statutory reserve created at KEC Tower LLC, Dubai in accordance with UAE Company law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Subsidiary.

Note (f) General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Note (g) 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.

Note (h) The cashflow hedging reserve is used to recognize the effective portion of gains or losses on derivative that are designated and qualify as cashflow hedges, as described in accounting policy note 3.22.

Note (i) Foreign currency translation reserve pertaining to exchange difference arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy note 3.8 and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the foreign operation is disposed-off.

Note (j) Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 25 -BORROWINGS

Particulars		As at March 31, 2024	As at March 31, 2023
Non-Current:			
Measured at amortised cost:			
I	**Term loans***		
	From banks		
	Secured [Refer Note 25.1 (a)]	33.70	49.31
	Less : Current maturities of long-term debt (Refer Note 30.3)	(16.85)	(16.44)
		16.85	**32.87**
	Unsecured [Refer Note 25.1 (b)]	310.64	536.33
	Less : Current maturities of long-term debt (Refer Note 30.3)	(74.63)	(276.04)
		236.01	**260.29**
II	**From Financial Institutions**		
	Secured [(Refer Note 25.1 (c)]	200.00	200.00
	Less : Current maturities of long-term debt	(200.00)	-
		-	**200.00**
		252.86	**493.16**

Note 25.1 *Term loans

(a) From banks: Secured

(i) ₹ 33.70 crore (As at March 31, 2023 ₹49.31 crore) External Commercial Borrowing loan secured by first charge over construction Equipments present at all projects site relating to its Transmission, Railway and Civil business in India. Repayment terms are in three equal yearly instalments starting from August, 2023. Interest rate is 3M LIBOR + 160 bps.

(b) From banks: unsecured:

(i) ₹ Nil (As at March 31, 2023 150 crore) loan repayment is in Two equal installments due on September 05, 2023 and March 14, 2024. The Fixed interest rate is 6.80% p.a.

(ii) ₹ Nil (As at March 31, 2023 ₹ 95.96 crore) pertains to a subsidiary at Brazil repayable in quaterly structured installments during 2024 to 2025. The rate was 19.15% p.a.

(iii) ₹ Nil (As at March 31, 2023 ₹ 69.00 crore) pertains to a subsidiary at Brazil repayable in quaterly structured instalments during from 2024 to 2025. The present rate of interest is 19.15% p.a. (previous year interest rate was 19.15% p.a).

(iv) ₹ Nil (As at March 31, 2023 ₹57.04 crore) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2023 to 2024. The interest rate were in ranges from 18.40% to 22.25% p.a.

(v) ₹166.80 crore (As at March 31, 2023 Nil) pertains to a subsidiary at Brazil repayable in quaterly structured instalments during 2026 to 2028. The present rate of interest at 8.65% p.a. These loans are repayable in Brazilian Real (BRL).

(vi) ₹30.82 crore (As at March 31, 2023 ₹164.33 crore) pertains to a subsidiary at Brazil repayable in quarterly structured installments during 2025 to 2027 and the present interest rate at 10.80% p.a (previous year 8.15% p.a). These loans are repayable in USD.

(vii) ₹38.39 crore (As at March 31, 2023 ₹Nil) pertains to a subsidiary at Brazil repayable in quarterly structured instalments during 2025 to 2026 and the present interest rate at 13.96% p.a. These loans are repayable in USD.

(viii) ₹74.63 crore (As at March 31, 2023 ₹Nil) - Refer Note 30.3 (iv) and (v)

(c) From Financial Institutions

Secured:

₹ 200 crore (As at March 31, 2023 ₹ 200 crore) Loan from a financial instution which is secured by security stated against Note 30.1.(i) Repayment will be on April 29, 2024 and September 24, 2024. The interest rates is 8.70% p.a. secured by security stated against Note 30.1(a)(i). Repayment is on April 29, 2024 and September 24, 2024. The interest rates are in the ranges from 8.46% to 8.87% p.a.

(d) As at March 31, 2024, the total borrowing of the Company stood at ₹ 3,812.32 crore (As at March 31, 2023 ₹3,194.45 crore). During the year, the Company was in compliance with all of its debt covenants for borrowings except for the debt covenant with respect to a long-term ECB loan amounting to ₹33.70 crore (As at March 31, 2023 ₹49.31 crore).The Company received condonation for such non compliance as at March 31, 2023 from the bank during the current year. The Management is confident of getting a condonation for non compliances of that covenant as at March 31, 2024. Further, the management do not believe that the same will have any material impact on these Financial Statements.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 26 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Lease liabilities (Refer note 51)	148.14	163.17
	148.14	**163.17**

NOTE 27 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current:		
Provision for employee benefits		
- Gratuity, post employment benefits (Refer note 54)	17.49	17.33
- Compensated Absences (Refer note 54)	3.69	2.31
- Others (includes provision towards judicial deposits of a subsidiary) (Refer note 27.1)	3.38	4.48
	24.56	**24.12**

NOTE 27.1 PROVISION TOWARDS JUDICIAL DEPOSITS *

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**4.48**	**3.18**
Additions	-	0.99
Reversals	1.24	-
Effect of translation adjustment (gain) / loss	0.14	0.31
Closing balance	**3.38**	**4.48**

**These represents provision created for Judicial deposits kept with labour authorities of foreign subsidiaries related to various ongoing labour cases.*

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 28 - DEFERRED TAX LIABILITIES / ASSETS (NET)

Note 28.1 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2024 are as follows:

₹ in Crore

Particulars	Opening Balance (As at April 01,2023)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI - Foreign Exchange adjustments	Closing Balance (As at March 31,2024)
Deferred tax (liabilities)/assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(33.75)	5.16	-	-	**(28.59)**
Undistributed earnings of joint operations	(10.80)		-	-	**(10.80)**
Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years	-	0.60	-	-	**0.60**
Allowance for doubtful debts, loans and advances	22.61	6.53	-	-	**29.14**
Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)	0.69	-	(0.26)		**0.43**
Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years	10.48	21.55	-	-	**32.03**
Provision for expected loss on construction contracts, etc.	4.93	(0.97)	-	-	**3.96**
Right-of-use assets (net of lease liabilities) - (Refer Note 51)	2.55	(1.03)	-	-	**1.52**
Net (Gain) / Losses on Cash flow hedges	-	-	(7.89)	-	**(7.89)**
Exchange differences on translation of foreign joint operations	(3.92)	-	(3.02)	-	**(6.94)**
Deferred Tax (Liabilities)/assets (net)	**(7.21)**	**31.84**	**(11.17)**	**-**	**13.46**

Significant components of deferred tax assets (net) of subsidiaries are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2023)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI - Foreign Exchange adjustments	Closing Balance (As at March 31, 2024)
Deferred tax (liabilities)/assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(21.19)	7.92	-	(5.98)	**(19.25)**
Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss	1.55	(0.10)	-	(0.06)	**1.39**
Remeasurement of defined benefit obligations recognised through Other Comprehensive Income (OCI)	-	0.37	(0.37)		**-**
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years	42.66	(2.07)	-	3.13	**43.72**
Tax loss carry forward*	310.97	(3.57)	-	6.94	**314.34**
Other Assets and deferred expenses	(6.68)	-	-	6.68	**-**
Deferred Tax (Liabilities)/assets (net)	**327.31**	**2.55**	**(0.37)**	**10.71**	**340.20**

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Note 28.2 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2023 are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2022)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI - Foreign Exchange adjustments	Closing Balance (As at March 31, 2023)
Deferred tax (liabilities)/assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(38.21)	4.46	-	-	**(33.75)**
Undistributed earnings of joint operations	(34.80)	24.00	-	-	**(10.80)**
Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years	(0.06)	0.06	-	-	**-**
Allowance for doubtful debts, loans and advances	20.48	2.13	-	-	**22.61**
Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)	0.33	-	0.29	0.07	**0.69**
Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years	11.68	(1.20)	-	-	**10.48**
Provision for expected loss on construction contracts, etc.	5.12	(0.19)	-	-	**4.93**
Right-of-use assets (net of lease liabilities) - (Refer Note 51)	0.65	1.90	-	-	**2.55**
Asset held for sale	0.82	(0.82)	-	-	**-**
Net (Gain) / Losses on Cash flow hedges	(2.80)	-	2.80	-	**-**
Exchange differences on translation of foreign joint operations	(7.01)	-	3.09	-	**(3.92)**
Deferred tax (liabilities)/assets (net)	**(43.80)**	**30.34**	**6.18**	**0.07**	**(7.21)**

Significant components of deferred tax assets (net) of subsidiaries are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2022)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI - Foreign Exchange adjustments	Closing Balance (As at March 31, 2023)
Deferred tax (liabilities)/assets in relation to :					
Property, plant and equipment and Intangible assets	(15.01)	(4.06)	-	(2.12)	**(21.19)**
Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss	1.85	(0.01)	-	(0.29)	**1.55**
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years	33.56	6.99	-	2.11	**42.66**
Tax loss carry forward*	199.84	103.53	-	7.60	**310.97**
Other Assets and deferred expenses	(6.11)	-	-	(0.57)	**(6.68)**
Deferred Tax (Liabilities)/assets (net)	**214.13**	**106.45**	**-**	**6.73**	**327.31**

Foot Note :

Deferred tax liabilities/ assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 29 - OTHER NON CURRENT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current:		
Deferred Government Grant* (Refer note 29.1)	0.43	0.45
	0.43	**0.45**

* Movement in deferred Government Grant

Particulars	₹ in Crore
Balance as at March 31, 2022	0.47
Add: Received during the year	-
Less: Recognised as income during the year	-
Less: Disclosed as other current liabilities (Refer note - 35)	0.02
Balance as at March 31, 2023	0.45
Add: Received during the year	-
Less: Recognised as income during the year	-
Less: Disclosed as other current liabilities (Refer Note - 35)	0.02
Balance as at March 31, 2024	**0.43**

Note 29.1: During the year ended March 31, 2022, the Group had received ₹ 0.50 crore towards government grant from Government of Rajasthan for setting up an Oxygen plant under Special package for Medical oxygen. The Group has amortised the grant based on useful life of the plant and recognised income for current year of ₹0.02 crore (previous year ₹ 0.02 crore) under other income (Refer Note No. 39). The balance amount of grant is shown as “Deferred Grant” in non-current liability ₹ 0.43 crore (previous year ₹ 0.45 crore) and other current liability of ₹ 0.02 crore (Refer Note 35). The Group doesn’t have any unfulfilled conditions and other contingencies attached to the same.

NOTE 30 - BORROWINGS

₹ in Crore

	Particulars	As at March 31, 2024	As at March 31, 2023
I	Loans repayable on demand		
	From Banks		
	Secured [Refer Note 30.1 (a)]	1,513.09	1,037.48
	Unsecured [Refer Note 30.1 (b)]	112.05	86.10
		1,625.14	**1,123.58**
II	Other short term borrowings		
	From Banks		
	Secured [Refer Note 30.2 (a)]	646.24	483.61
	Unsecured [Refer Note 30.2 (b)]	898.40	505.44
		1,544.64	**989.05**
	From Financial Institutions		
	Unsecured [Refer Note 30.2 (c)]	**98.20**	**296.18**
III	Current Maturities of Long Term Borrowings		
	From banks		
	Secured [Refer Note 25.1 (a)]	16.85	16.44
	Unsecured [Refer Note 30.3]	74.63	276.04
		91.48	**292.48**
	From Financial Institutions		
	Unsecured [Refer Note 25.1(c)]	200.00	-
		200.00	**-**
		3,559.46	**2,701.29**

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Note 30.1 : Loans repayable on demand from banks :

(a) **Secured**

(i) ₹ 1,473.80 crore (As at March 31, 2023 ₹1,023.68 crore) obtained from consortium of banks which are secured by first pari passu charge on the entire current assets of the Company, both present and future (except specific export receivables financed by financial institutions and banks), second pari passu charge on fixed assets of the Company's manufacturing facilities situated at Jaipur, Jabalpur and Nagpur factories and further secured by first pari passu charge on flat situated at Juhu, Mumbai in favour of working capital consortium bankers. The interest rates are in the ranges from 7.5% to 8.70% p.a. (previous year ranges from 5% to 8.70% p.a).

(ii) ₹ Nil (As at March 31, 2023 ₹ 13.80 crore), pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a.

(iii) ₹ 11.36 crores (As at March 31, 2023 ₹ Nil) obtained for Bangladesh project & secured primarily by Hypothecation 2nd charge on pool of receivables against work orders executing in Bangladesh, secured by company through international bidding process & collateral given as SBLC in equivalent USD covering 110% of our proposed credit limit First Class Indian Bank. The interest rate is 10.26% p.a.

(iv) ₹27.93 crores (As at March 31, 2023 ₹ Nil) obtained for Malaysia project & secured by corporate guarantee. The interest rate is 3.75%+KLIBOR p.a.

(b) **Unsecured**

(i) ₹ Nil (As at March 31, 2023 ₹ 5.23 crore), pertain to subsidiary KEC Tower LLC. The interest rate is 8.16% p.a.

(ii) ₹ 79.29 crore (As at March 31, 2023 ₹ 80.87 crore) pertaining to a subsidiary at Brazil. The interest rate interest rate in the range of 8.67% to 15.57% p.a (previous year 17.60% p.a.).

(iii) ₹ 32.76 crore (As at March 31, 2023 ₹ Nil) pertaining to a subsidiary at Mexico. The interest rate interest rate in the range of 9.09% to 9.44% p.a.

Note 30.2 : Other short-term borrowings

(a) **From Banks-Secured**

(i) ₹ 597.52 crore (As at March 31, 2023 ₹ 415.21 crore) Packing Credit in Foreign Currency and Foreign Currency Non-Resident Account loans secured by security stated in Note 30.1(a) (i) above. The interest rates are in the ranges from 3.81% to 6.65% p.a. (previous year ranges from 3.81% to 6.22% p.a.)

(ii) ₹ 19.02 crore (As at March 31, 2023 ₹ Nil) Buyers credit secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 7.53% to 8.33% p.a.

(iii) ₹ Nil (As at March 31, 2023 ₹ 9.17 crore) Debtors bill discounting secured by assignment of certain book debt at Abu Dhabi projects. Interest rate ranges between 3.30% to 7.53% p.a.)

(iv) ₹ Nil crore (As at March 31, 2023 ₹ 15.68 crore) secured by assignment of certain book debts and irrevocable Corporate Guarantee from the Company.The interest rates were in the ranges from 4.20% to 7.90% p.a. (previous year rate ranges from 4.20% to 7.90% p.a.).

(v) ₹ 29.70 crore - (As at March 31, 2023 ₹ 43.55 crore) debtors bill discounting secured by assignment of certain book debt for Cable projects. The interest rates are in ranges from 8.00% to 8.50% p.a. (previous year rate ranges from 8.00% to 8.55% p.a.).

(b) **From Bank-unsecured**

(i) ₹ 24.04 crore (As at March 31, 2023 ₹16.95 crore) unsecured purchase and service bill discounting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro & Small Enterprises vendors. The interest rates ranges from 6.89% to 8.08 % p.a. (previous year interest rate ranges from 4.29% to 8.00 % p.a.)

(ii) ₹ 771 crore (As at March 31, 2023 ₹ 450 crore) short term loan from various banks carrying interest rates ranging from 7.90% to 8.55% p.a. (previous year interest rate ranges from 7.00% to 8.05 % p.a.)

(iii) ₹ 103.36 crore (As at March 31, 2023 ₹Nil) unsecured purchase and service bill discounting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro & Small Enterprises vendors. The interest rates ranges from 6.89% to 7.90 % p.a. (previous year interest rate ranges from 4.29% to 8.00 % p.a.)

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(iv) ₹ Nil crore (As at March 31, 2023 ₹ 38.49 crore) pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a. (previous year interest rate ranges between 6.87% to 7.25% p.a.)

(c) **From Financial Institutions**

Unsecured:

₹ 98.20 crore (As at March 31, 2023 ₹ 296.18 crore) being listed commercial papers which carries interest rate 8.40% p.a. (previous year interest rate ranges from 7.90% p.a. to 8.20% p.a.). Maturity for current year commercial paper is in the month June 2024 (previous year maturity ranges from 85 days to 90 days).

Note 30.3 Current Maturities of Long Term Borrowings

(a) **From banks:**

Unsecured:

(i) ₹ Nil (As at March 31, 2023 ₹ 150 crore) Loan repaid in two equal installments due on September 05, 2023 and March 14, 2024. The Fixed interest rate was 6.80% p.a.

(ii) ₹ Nil (Previous year ₹69 crore) pertains to a subsidiary at Brazil repayable in quaterly structured instalments during from 2024 to 2025. The present rate of interest is 19.15% p.a. (previous year interest rates ranges from 11.65% to 17.89% p.a). These loans are repayable in Brazilian Real (BRL).

(iii) ₹ Nil (previous year ₹57.04 crore) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2023 to 2024. The present interest rate are in ranges from 18.40% to 22.25% p.a. These loans are repayable in Brazilian Real (BRL).

(iv) ₹ 50.08 crore (previous year ₹Nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2025 to 2026. The present interest rate is from 13.96% p.a. These loans are repayable in Brazilian Real (BRL).

(v) ₹ 24.55 crore (previous year ₹ Nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2026 to 2027. The present interest rate is 10.80% p.a. These loans are repayable in Brazilian Real (BRL).

Note 30.4 The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

NOTE 31 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Lease liabilities (Refer note 51)	24.57	25.75
	24.57	**25.75**

NOTE 32 - TRADE PAYABLES

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
(i) Total outstanding dues of micro and small enterprises (Refer Note 32.1)	167.62	171.98
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Acceptances	1,536.75	2,113.06
(b) Others	7,502.61	6,103.29
	9,039.36	**8,216.35**
	9,206.98	**8,388.33**

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Note 32.1: Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the Group.

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	The principal amount remaining unpaid to supplier as at the end of accounting year	142.78	153.04
(b)	The interest due thereon remaining unpaid to supplier as at the end of accounting year.	5.41	3.17
(c)	The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	19.43	15.77
(e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	5.90	0.71
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure.	24.84	18.94

Note 32.2: Trade payable ageing schedule

As at March 31, 2024

₹ in Crore

Particulars	Outstanding for following periods from due date of payments							
	Dispute Status	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Micro and Small enterprises	Disputed	-	-	-	-	-	-	-
	Undisputed	-	35.30	125.67	5.38	1.02	0.25	**167.62**
Other than Micro and Small enterprises	Disputed	-	-	-	0.02	0.13	0.35	**0.50**
	Undisputed	1,829.12	2,683.62	2,324.75	407.57	116.60	140.45	**7,502.11**
Acceptances		-	1,536.75	-	-	-	-	**1,536.75**
Total		**1,829.12**	**4,255.66**	**2,450.42**	**412.96**	**117.75**	**141.05**	**9,206.98**

As at March 31, 2023

₹ in Crore

Particulars	Outstanding for following periods from due date of payments							
	Dispute Status	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Micro and Small enterprises	Disputed	-	-	-	-	-	-	-
	Undisputed	-	82.99	48.02	18.84	12.41	9.72	**171.98**
Other than Micro and Small enterprises	Disputed	-	-	-	-	0.01	0.62	**0.63**
	Undisputed	1,442.48	3,306.56	868.66	246.54	97.57	140.85	**6,102.66**
Acceptances		-	2,113.06	-	-	-	-	**2,113.06**
Total		**1,442.48**	**5,502.61**	**916.68**	**265.38**	**109.99**	**151.19**	**8,388.33**

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NOTE 33 - OTHER FINANCIAL LIABILITIES

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Interest accrued but not due on borrowings	13.80	21.39
(b)	Interest accrued on acceptances	0.26	0.25
(c)	Unpaid / unclaimed dividends #	2.97	3.00
(d)	Payable towards purchase of property plant and equipment	7.40	10.52
(e)	Mark to market loss on forward and commodity contracts (Refer Note 53 C)	1.94	15.91
(f)	Directors' commission	3.32	3.10
		29.69	**54.17**

 # The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates. There are no amounts required to be transferred to Investor educationa and protection fund as at balance sheet date.

NOTE 34 - CONTRACT LIABILITIES

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
(i)	Amount due to customers for contract works	131.05	245.75
(ii)	Advance from customer	1,065.29	967.84
(iii)	Interest on customer advance	15.15	16.75
		1,211.49	**1,230.34**

NOTE 35 - OTHER CURRENT LIABILITIES

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Advances against assets classified as held for sale [Refer note 22.1(a)]	9.41	9.41
(b)	Other payables		
	- Statutory dues (contribution to PF and ESIC, withholding tax, VAT, TDS, GST, Service Tax, etc.)	269.28	202.99
	- Liability towards Corporate Social Responsibility (Refer note 60)	2.65	4.34
	- Deferred Govermment Grant (Refer note 29.1)*	0.02	0.02
		271.95	**207.35**
		281.36	**216.76**

* Movement in deferred Govermment Grant

Particulars	₹ in Crore
Balance as at March 31, 2022	**0.02**
Less: Recognised as income during the year	0.02
Add: Transferred from other non current liabilities (Refer note 29)	0.02
Balance as at March 31, 2023	**0.02**
Less: Recognised as income during the year	0.02
Add: Transferred from other non current liabilities (Refer note 29)	0.02
Balance as at March 31, 2024	**0.02**

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NOTE 36 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
- Compensated absences (Refer note 54)	38.49	37.22
- Gratuity, post employment benefits (Refer note 54)	3.56	2.85
	42.05	**40.07**
(b) Provision - others :		
- Warranty provisions (Refer Note 36.1)	5.31	5.69
- Provision for litigation claims (Refer note 36.2 and note 36.3)	27.32	21.38
- Provision for foreseeable losses on construction contracts (Refer note 36.4)	20.47	27.30
	53.10	**54.37**
	95.15	**94.44**

Note: 36.1 Warranty provisions

The Group bases its estimates of warranty cost on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The warranty provisions for various years are as follows:

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	5.69	3.11
Additions	9.01	1.84
Utilisations /(reversals)	(9.53)	(0.02)
Effect of translation adjustment loss	0.14	0.76
Closing balance	**5.31**	**5.69**

Note: 36.2

Provision for litigation claims represents liabilities that are expected to materialise on completion of negotiation/matters in appeals with judicial authorities.

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	21.38	19.78
Additions	10.25	2.99
Less: Reversals	4.40	1.78
Effect of translation adjustment loss	0.09	0.39
Closing balance	**27.32**	**21.38**

Note: 36.3

It includes provision of ₹ 12.63 crore related to an arbitration award passed against the Company. The same is challenged by the Company before Hon’ble Delhi High Court. The balance provision relate to various indirect tax matters and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.

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Note 36.4 Movement in Provision for expected forseable losses on construction contracts

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**27.30**	**25.29**
Additions	6.15	20.86
Less: Reversals	12.84	18.90
Effect of translation adjustment (gain) / loss	(0.14)	0.05
Closing balance	**20.47**	**27.30**

Provision for forseable loss represents provision created towards unavoidable costs of meeting the obligations under the contract which exceeds the economic benefits expected to be received under it.

NOTE 37 - CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax liabilities less payments	101.08	107.98
	101.08	**107.98**

NOTE 38 - REVENUE FROM OPERATIONS

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue from Contract with customers (Refer Note 50)		
(a) Sale of products	2,943.86	2,253.47
(b) Construction contracts revenue	16,607.65	14,709.15
(c) Sale of services	43.83	34.18
	19,595.34	**16,996.80**
Other operating revenue		
- Scrap sales	279.63	255.78
- Export benefits and Others	39.20	29.13
	318.83	**284.91**
	19,914.17	**17,281.71**

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NOTE 39 - OTHER INCOME

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a) Interest income earned on financial assets that are not designated at fair value through profit or loss:		
(i) Bank deposits (at amortised cost)	3.91	2.00
(ii) Other financial assets carried at amortised cost	14.03	14.19
	17.94	**16.19**
(b) Other Interest Income		
- Income tax refund	27.38	7.01
	27.38	**7.01**
(c) Government Grant (Refer Note 29.1)	0.02	0.02
(d) Other non-operating income		
(i) Guarantee charges	1.51	0.90
(ii) Profit on sale of property, plant and equipment	3.26	4.28
(iii) Bad Debts Recovered	-	0.41
(iv) Miscellaneous income#	2.30	2.51
	7.07	**8.10**
	52.41	**31.32**

 # It includes rent income on operating leases of ₹0.30 crore.(previous year ₹ 0.29 crore) [(Refer note 55 (B)]

NOTE 40 - COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cost of materials consumed (including project bought outs)	8,413.69	6,969.83
	8,413.69	**6,969.83**

NOTE 41 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Opening stock		
Finished goods	212.02	227.29
Work-in-progress	112.40	195.90
	324.42	**423.19**
Less: Closing stock		
Finished goods	291.27	212.02
Work-in-progress	38.85	112.40
	330.12	**324.42**
	(5.70)	**98.77**

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NOTE 42 - ERECTION AND SUB-CONTRACTING EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Erection / construction materials consumed	2,905.38	2,234.50
Stores consumed	167.60	210.41
Sub-contracting expenses	3,428.92	3,391.07
Power, fuel and water charges	53.13	79.38
Construction transport	148.05	151.00
Machinery Hire charges	276.59	268.58
Others (Material Testing, Hire Labour, Security etc.)	197.15	217.30
	7,176.82	**6,552.24**

NOTE 43 - EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries, wages and other allowances	1,293.53	1,224.89
Contribution to provident fund and other funds (Refer Note 54)	44.32	39.70
Staff welfare expenses	102.78	91.65
	1,440.63	**1,356.24**

NOTE 44 - FINANCE COSTS

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest expense for financial liabilities not classified at FVTPL	634.50	523.06
Interest on Micro and Small Enterprise	5.90	0.71
Interest expense on lease liabilities	9.57	10.27
Other borrowing costs (processing fees, etc.)	5.16	4.55
	655.13	**538.59**

NOTE 45 :- DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note 5)	145.96	121.80
Depreciation on Right of Use Assets (Refer Note 6)	21.86	23.49
Amortisation of intangible assets (Refer Note 9)	17.54	16.19
	185.36	**161.48**

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NOTE 46 - OTHER EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Tools, non-erection stores and maintenance spares consumed	40.42	22.70
Power and fuel	81.39	72.60
Rent	66.45	57.22
Rates and taxes, excluding taxes on income (net)	87.28	77.04
Insurance	118.93	112.23
Bank (guarantee, letter of credit and other) charges	141.39	117.16
Commission	41.31	38.84
Freight and forwarding (net)	371.54	369.05
Repairs to buildings	11.45	9.06
Repairs to plant and equipment	30.71	19.24
Repairs - others	21.08	18.14
Travelling and conveyance	129.72	115.39
Payment to statutory auditors (net of Goods and Service tax input credit, where applicable)		
-as auditors (for audit of financial statements and limited reviews)	2.56	1.92
-for tax audit	0.08	0.08
-for certification work	0.47	0.80
-for reimbursement of expenses	0.05	0.02
	3.16	**2.82**
Professional fees	158.84	171.71
Bad debts and loans written off	23.41	28.38
Less: Adjusted against allowance for bad and doubtful debts and loans	(21.24)	(10.72)
	2.17	**17.66**
Allowance for bad and doubtful debts, loans	90.91	32.80
Directors' fees	0.56	0.70
Loss on property, plant and equipment discarded	2.64	0.95
Net gain on foreign currency transactions (Refer note 46.2)	(5.89)	(28.19)
Corporate Social Responsibility (Refer note 60)	13.18	14.04
Miscellaneous expenses (Refer note 46.1)	266.92	233.74
	1,674.16	**1,474.90**

Note 46.1 : Miscellaneous expenses shown above include fees of ₹ 1.79 crore (Previous year ₹ 1.92 crore) paid to branch auditors, fees of ₹ 0.14 crore for auditors of joint operations (Previous year of ₹ 0.40 crore), fees of ₹ 2.89 crore for auditors of subsidiaries (Previous year ₹ 2.98 crore).

Note 46.2 : Net gain on foreign currency transactions includes loss on derivative instruments ₹0.04 crore (previous year loss ₹5.48 crore)

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NOTE 47 - TAX EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current tax		
In respect of the current year	125.97	117.84
In respect of prior years	(11.87)	3.90
	114.10	**121.74**
Deferred tax		
In respect of the current year	(42.22)	(112.79)
In respect of prior years	7.83	(24.00)
	(34.39)	**(136.79)**
Total income tax expense recognised in the Consolidated Statement of Profit and Loss	**79.71**	**(15.05)**

Note 47.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Consolidated Statement of Profit and Loss is as follows :

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit after exceptional items and before tax	**426.49**	**160.98**
Indian Statutory income tax rate	25.17%	25.17%
Income tax expense	**107.35**	**40.52**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	4.31	2.32
Corporate social responsibility expenditure	3.33	3.53
Tax effect of amounts taxable at lower tax rates/ different tax rates	(16.58)	(6.25)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(23.65)	(43.22)
Foreign Tax credit not available	11.86	9.36
Effect of deferred tax liabilities on temporary adjustments of subsidiaries operating in other jurisdiction	(1.51)	0.02
Tax effect due to business combination adjustment on account of merger and acquisition	(1.36)	(1.23)
	83.75	**5.05**
Adjustments recognised in the current year in relation to the current tax of prior years	(4.04)	(20.10)
Income tax expense in the Consolidated Statement of Profit and Loss	**79.71**	**(15.05)**

The tax rate used for the financial years 2023-24 and 2022-23 reconciliations above is the corporate tax rate of 25.17% payable by the corporate entities in India on taxable profits under the Indian tax law.

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Note 47.2- Income tax recognised in other comprehensive income

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
- Translation of foreign joint operations and subsidiaries	(3.02)	3.09
- Net gain on designated portion of hedging instruments	(7.89)	2.80
- Remeasurement of defined obligations	(0.63)	0.29
	(11.54)	**6.18**
Total income tax recognised in other comprehensive income	**(11.54)**	**6.18**
Bifurcation of the income tax recognised in other comprehensive income into :		
- Items that will not be reclassified to profit or loss	(0.63)	0.29
- Items that will be reclassified to profit or loss	(10.91)	5.89
	(11.54)	**6.18**

NOTE 48 - EARNINGS PER SHARE

₹ in Crore

Particulars	For the Year ended March 31, 2024 (₹ Per Share)	For the Year ended March 31, 2023 (₹ Per Share)
(a) Basic earnings per share	13.49	6.85
(b) Diluted earnings per share	13.49	6.85

Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit for the year attributable to the equity share holders of the Company	346.78	176.03
Earnings used in the calculation of basic/diluted earnings per share	346.78	176.03

₹ in Crore

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Weighted average number of equity shares for the purposes of basic/diluted earnings per share	257,088,370	257,088,370

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NOTE 49 - JOINT ARRANGEMENTS FOR EXECUTION OF THE PROJECTS

a) The Company has entered into the following joint venture agreements for execution of the construction projects (hereinafter referred as 'Jointly controlled operations'). Accounting for these entities is done in the standalone financial statements of the Company as per their respective ownership interest as per Joint venture agreements.

Details of the Group's Jointly Controlled Operations are as under:

Particulars		Principal place of busines	Ownership interest as per Joint venture agreements	
			As at March 31, 2024	As at March 31, 2023
i	Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer Note 49 (b)(i)]	Saudi	51.10%	51.10%
ii	EJP KEC Joint Venture, South Africa	South Africa	50.00%	50.00%
iii	KEC – ASSB JV, Malaysia	Malaysia	67.00%	67.00%
iv	KEC – ASIAKOM – UB JV	India	60.00%	60.00%
v	KEC – ASIAKOM JV	India	51.00%	51.00%
vi	KEC – DELCO – VARAHA JV	India	80.00%	80.00%
vii	KEC – VARAHA – KHAZANA JV	India	80.00%	80.00%
viii	KEC – VALECHA – DELCO JV	India	51.00%	51.00%
ix	KEC – SIDHARTH JV	India	80.00%	80.00%
x	KEC – TRIVENI – KPIPL JV	India	55.00%	55.00%
xi	KEC – UNIVERSAL JV	India	80.00%	80.00%
xii	KEC – DELCO – DUTSAN JV	India	51.00%	51.00%
xiii	KEC – ANPR – KPIPL JV	India	60.00%	60.00%
xiv	KEC – PLR – KPIPL JV	India	55.00%	55.00%
xv	KEC – BJCL JV	India	51.00%	51.00%
xvi	KEC – KIEL JV	India	90.00%	90.00%
xvii	KEC – ABEPL JV	India	90.00%	90.00%
xviii	KEC – TNR INFRA JV	India	51.00%	51.00%
xix	KEC – SMC JV	India	51.00%	51.00%
xx	KEC – WATERLEAU JV	India	51.00%	51.00%
xxi	KEC – CCECC JV (RAILWAY)	India	74.00%	74.00%
xxii	KEC – CCECC JV (CIVIL)	India	74.00%	74.00%
xxiii	CCECC – KEC JV (CIVIL)	India	98.50%	98.50%
xxiv	LONGJIAN – KEC JV	India	98.50%	98.50%
xxv	MBPL – KEC JV	India	49.00%	49.00%
xxvi	VNC – KEC JV	India	49.00%	49.00%
xxvii	HCC – KEC CONSORTIUM	India	49.00%	49.00%
xxviii	KEC – VNC CONSORTIUM	India	50.00%	50.00%
xxix	KEC – SPML JV			
	a) KEC – SPML JV (Rayagada and Ganjam Project Civil)	India	70.00%	70.00%
	b) KEC - SPML JV (Nayagarh and Bargarh Project Civil)	India	95.00%	95.00%
xxx	KEC – EMRAIL JV	India	74.00%	74.00%
xxxi	KEC – VNC JV (Civil)	India	50.00%	-
xxxii	KEC-VNC-EMRAIL JV (Railway)	India	97.50%	-
xxxiii	KEC – VNC JV (Railway)	India	98.00%	-
xxxiv	SPML INFRA LIMITED IN JV WITH KEC INTERNATIONAL LIMITED	India	97.50%	-

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b) (i) KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Limited', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which hold 48.90% in Al Sharif JV. Al Sharif JV is a "Subsidiary" of the Company under the Companies Act, 2013. However, based on the control assessment under Ind AS, considering the nature of arrangement, Al Sharif JV has been classified as jointly controlled operation. In addition to this, Al Sharif JV is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself, the internal agreements (contractual arrangements) entered into between the parties to the joint arrangements for the execution of projects (turnkey contracts) reverses or modifies the rights and obligations conferred by the legal form and establishes and define their respective rights and obligations on these projects. As per these contractual arrangements, the parties to the joint arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

ii) The Group account for assets, liabilities, revenue and expenses relating to its interest in jointly controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects, which in some cases are different than the ownership interest disclosed above. Accordingly, the Group has recognised its share in total income from operations ₹3,127.78 crore (for the year ended March 31, 2023 ₹2,280.49 crore), total expenditure (including tax) ₹ 2,972.27 crore (for the year ended March 31, 2023 ₹ 2,209.20 crore), total assets as at March 31, 2024 ₹ 2,649.88 crore (as at March 31, 2023 ₹ 2,083.08 crore) and total liabilities as at March 31, 2024 ₹2,208.57 crore (as at March 31, 2023 ₹ 1,805.99 crore) in Jointly Controlled Operations.

iii) Apart from the Joint Venture (JV) agreements disclosed above in note no. 49 (a) The Group has entered into certain Joint Venture (JV) agreements with other entities for execution of various projects. Though the legal form of all these joint arrangements is a "joint venture", these JVs are not jointly controlled by both the parties as per the requirements of "IND-AS 111 - Joint Arrangements". The work is carried out by each JV partner based on the scope defined for respective parties. Accordingly, the Group has recognised revenue, expenses, assets and liabilities related to its own share of work in standalone financial statement and respective financial statement of these JVs are not considered for the purpose of consolidation.

iv) Figures in respect of the Company's Jointly Controlled Operations as mentioned above, have been incorporated on the basis of financial statements audited by the auditors of the respective Jointly Controlled Operations.

NOTE 50 - REVENUE FROM CONTRACTS WITH CUSTOMERS

Note 50.1 Disaggregation of revenue from contracts with customers

The Group has determined the categories for disaggregation of revenue considering the following major product lines and geographical regions:

₹ in Crore

For the year ended March 31, 2024	Transmission & Distribution	Railways	Civil	Cables	Solar	Oil & Gas	Total
Geographical region:							
- India	3,484.56	3,326.96	5,525.83	1,462.13	410.30	656.53	**14,866.31**
- UAE	973.64	-	-	4.11	-	-	**977.75**
- Brazil, Mexico & USA	1,462.12	-	-	-	-	-	**1,462.12**
- Geographies other than above	5,244.75	-	-	156.85	-	-	**5,401.60**
Less: Inter-unit revenue							
- India	101.79	268.87	1,259.12	431.23	-	310.94	**2,371.95**
- UAE	206.02	-	-	-	-	-	**206.02**
- Brazil, Mexico & USA	52.96	-	-	-	-	-	**52.96**
- Geographies other than above	481.51	-	-	-	-	-	**481.51**
Revenue from external customers	**10,322.79**	**3,058.09**	**4,266.71**	**1,191.86**	**410.30**	**345.59**	**19,595.34**
Timing of revenue recognition							
- At a point in time	1,791.55	-	7.02	1,189.12	-	-	**2,987.69**
- Over time	8,531.25	3,058.09	4,259.70	2.72	410.30	345.59	**16,607.65**
	10,322.80	**3,058.09**	**4,266.72**	**1,191.84**	**410.30**	**345.59**	**19,595.34**

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₹ in Crore

For the year ended March 31, 2023	Transmission & Distribution	Railways	Civil	Cables	Solar	Oil & Gas	Total
Geographical region:							
- India	2,375.38	3,916.47	4,313.15	1,469.71	4.74	511.29	**12,590.74**
- UAE	718.09	-	-	0.95	4.73	-	**723.77**
- Brazil, Mexico & USA	1,314.40	-	-	-	-	-	**1,314.40**
- Geographies other than above	4,934.91	-	-	122.24	-	-	**5,057.15**
Less: Inter-unit revenue							
- India	12.61	256.09	1,009.90	460.66	-	172.87	**1,912.13**
- UAE	192.87	-	-	-	4.73	-	**197.60**
- Brazil, Mexico & USA	41.17	-	-	-	-	-	**41.17**
- Geographies other than above	538.36	-	-	-	-	-	**538.36**
Revenue from external customers	**8,557.77**	**3,660.38**	**3,303.25**	**1,132.24**	**4.74**	**338.42**	**16,996.80**
Timing of revenue recognition							
- At a point in time	1,145.77	-	6.57	1,132.24	3.07	-	**2,287.65**
- Over time	7,412.00	3,660.38	3,296.68	-	1.67	338.42	**14,709.15**
	8,557.77	**3,660.38**	**3,303.25**	**1,132.24**	**4.74**	**338.42**	**16,996.80**

The Group recognised revenue amounting to ₹ 231.27 crore (for the year ended March 31, 2023, ₹ 500.04 crore) in the current reporting period that was included in the Amount due to customers for contract works balance i.e. contract liabilities as at March 31, 2023.

Note 50.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period March 31, 2024 is ₹ 29,644 crore (as at year ended March 31, 2023, ₹ 30,951 crore). On an average, transmission, distribution, railway and civil composite contracts have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 70% to 80% of the transaction price allocated to unsatisfied contracts as of March 31, 2024 will be recognised as revenue during the next reporting period depending upon the progress on each contract. The remaining amount is expected to be recognised in subsequent years, largely in year 2. The amount disclosed above does not include variable consideration.

Note 50.3 In case of EPC projects, where the goods are procured from a third party, the Group makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Group is significantly involved in designing and manufacturing the procured material and/or there is no significant time gap involved between transfer of control and installation, there is no impact on revenue recognized. There is significant judgement involved in making this assessment.

Note 50.4 Reconciliation of revenue recognized with contract price

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Contracted price as at opening of the year	**30,951.41**	**23,715.83**
Add: New contracts entered during the year	18,102.00	22,378.00
Add/(Less): Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net)	185.93	1,854.38
Less: Revenue recognized during the year	(19,595.34)	(16,996.80)
Contracted price as at end of the year	29,644.00	30,951.41

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NOTE 51 - LEASES

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
(i)	**The Balance sheet shows the following amounts relating to leases:**		
	Right of use assets (Refer note 6)		
	Buildings	51.59	62.99
	Plant & Machinery	-	0.12
	Vehicles	-	-
	Land	143.65	151.46
		195.24	**214.57**
	Lease liabilities		
	Current (Refer note 31)	24.57	25.75
	Non-current (Refer note 26)	148.14	163.17
		172.71	**188.92**

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
(ii)	**Amounts recognised in statement of profit and loss**		
	Depreciation charge on Right of use assets (Refer note 6)		
	Buildings	12.81	14.13
	Plant & Machinery	0.22	0.46
	Vehicles	-	0.07
	Land	8.83	8.83
		21.86	**23.49**
(iii)	Interest expense included in finance cost	9.57	10.27
(iv)	Expense relating to short-term leases (included in other expenses)	81.39	57.22
(v)	Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
(vi)	Expense relating to variable lease payments not included in lease liability	-	-
(vii)	Amount recognised in profit and loss arising from rent concessions (Refer note 53.1) - (gain) / loss	-	-

(a) Total cash outflow for leases during current financial year is ₹ 26.61 crore (previous year ₹30.09 crore)

(b) Additions to the right of use assets during the current financial year is ₹ 0.76 crore (previous year ₹0.21 crore)

(c) There are no sale & leaseback transactions.

(d) Payments associated with short-term leases of equipment, vehicles and all leases of low-value assets are recognised on straight line basis as an expense in profit or loss.

(e) Short term leases are leases with a lease of 12 months or less. There are no leases of low value assets during the current year.

(f) When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate. The weighted average incremental borrowing rate applied is 5.88% (Previous year: 5.87%)

Note 51.1

The Group has applied the practical expedient for all qualifying rent concessions and the concessions have been accounted as variable lease payments in the period in which they are granted.

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NOTE 52 - CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 25 and 30 offset by cash and bank balances in Notes 17 and 18) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Gearing ratio

The gearing ratio at end of the reporting period is as follows :

₹ in Crore

Particulars		As at March 31, 2024	As at March 31, 2023
Debt *	A	3,998.83	3,404.76
Cash and cash equivalents	B	205.10	281.16
Net debt (C)	C=A-B	3,793.73	3,123.60
Total equity	D	4,095.70	3,771.42
Net debt to equity ratio (E)	**E=C/D**	**0.93**	**0.83**

** Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in Notes 25 and 30 and includes interest accrued thereon and lease liabilities as per Note 33 and 26.*

During the year ended March 31, 2024, the Group has distributed the final dividend of ₹3 per equity share for the year ended March 31, 2023 amounting to ₹ 77.12 crore.

The Board of directors, at their meeting held on May 07, 2024 recommended the final dividend of ₹4 per equity share for the year ended March 31, 2024, subject to approval from shareholders. On approval, the total dividend outgo is expected to be ₹ 102.84 crore based on number of shares outstanding as at March 31, 2024.

NOTE 53 DISCLOSURE AS PER IND AS 107

A Fair Value Measurement

I. Category-wise classification of financial assets and financial liabilities

₹ in Crore

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Non-current investment						
- Investment in equity instruments	-	*	-	-	*	-
- Investment in commercial paper	-	-	-	-	-	-
Trade receivables	-	-	4,424.96	-	-	4,640.97
Cash and bank balances	-	-	273.28	-	-	344.16
Loans	-	-	-	-	-	-
Other financial assets						
- Derivative instruments						
i) Foreign currency forward contracts	5.25	0.52	-	3.12	3.57	-
ii) Over the counter (OTC) commodity derivative contracts %	-	34.02	-	-	8.27	-
- Others	-	-	170.66	-	-	225.86

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₹ in Crore

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial liabilities						
Borrowings (including interest accrued)	-	-	3,826.12	-	-	3,215.84
Lease Liabilities			172.71			188.92
Trade payables	-	-	9,206.98	-	-	8,388.33
Other financial liabilities						
- Derivative instruments						
i) Foreign currency forward contracts	0.18	0.70	-	3.91	7.64	-
ii) Over the counter (OTC) commodity derivative contracts	-	1.06	-	-	4.36	-
- Others	-	-	13.95	-	-	16.87

** less than rounding off norms adopted by the group.*

' FVPL - Fair Value Through Profit or Loss

' FVOCI - Fair Value Through Other Comprehensive Income

II. Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)

₹ in Crore

Particulars	As at March 31, 2024		As at March 31, 2023	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Non-current financial assets				
Trade receivables	288.34	288.34	359.30	359.30
Other Financial Assets	61.94	61.94	76.20	76.20
Non current financial liabilities	**-**	**-**	**-**	**-**
Borrowings	252.86	252.86	493.16	493.16
Lease liabilities	148.14	148.14	163.17	163.17

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

III. Assets and liabilities which are measured at FVPL or FVOCI

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Fair value of the Group's financial assets and financial liabilities are measured on a recurring basis at the end of each reporting period.

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The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crore

	Financial assets/ financial liabilities	Fair values as at		Fair value hierarchy	Valuation technique(s) and key input(s)
		March 31, 2024	March 31, 2023		
1)	Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships)	Asset ₹ 5.25	Asset ₹ 3.12	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate.
2)	Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships)	Liability ₹ 0.18	Liability ₹ 3.91	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate.
3)	Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts)	Asset ₹ 0.50	Asset ₹ 3.57	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate.
4)	Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts)	Liability ₹ 0.58	Liability ₹ 7.44	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate.
5)	Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using foreign currency forward contracts)	Asset ₹ 0.02	Asset NIL	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate.
6)	Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using foreign currency forward contracts)	Liability ₹ 0.12	Liability ₹ 0.20	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate.
7)	Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts)	Asset ₹ 34.02	Asset ₹ 8.27	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate.
8)	Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts)	Liability ₹ 1.06	Liability ₹ 4.36	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at a USD funding rate.

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B Financial risk management

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

Note 53B. 1 Market risk

The Group seeks to minimise the effects of currency risk and commodity price risk by using derivative and non derivative financial instruments to hedge risk exposures. The Group has Risk Management Policies to mitigate the risks in commodity and foreign exchange. The use of financial derivatives and non-derivatives is governed by the Company's policies approved by the Board of Directors (BOD), which provide written principles to use financial derivatives and non-derivative financial instruments, to hedge currency risk and commodity price risk. The Group does not enter into or trade financial instruments, including derivative financial instruments and non-derivative financial instruments, for speculative purposes.

The Treasury Department prepares and submits the report on performance along with the other details relating to forex and commodity transaction to the Risk Management Committee. The periodical forex management report and commodity risk report as reviewed and approved by the Risk Management Committee is placed before the Audit Committee for review.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates [refer Notes 53B.1(a) and 53B.1(b) below] and commodity prices (refer Note 53C below). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- foreign currency forward contracts to hedge the exchange rate risk arising from execution of international projects.
- Commodity Over the Counter (OTC) derivative contracts to hedge the price risk for base metals such as Copper, Aluminium, Zinc and Lead.

Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the approved guidelines set by the Board of Directors .

(a) Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions in various currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows.

Following is the foreign currency exposure of the Group :

₹ in Crore

Particulars	USD	BRL	EUR	SAR	AED	Others	Total
As at March 31, 2024							
Assets	2,039.88	208.25	685.88	1,347.18	433.98	716.08	**5,431.25**
Less: Hedged through forward contracts	94.11	-	344.15	-	-	-	**438.26**
Net Assets (i)	**1,945.77**	**208.25**	**341.73**	**1,347.18**	**433.98**	**716.08**	**4,992.99**
Liabilities	(1,526.68)	(567.65)	(235.99)	(610.54)	(443.48)	(299.45)	**(3,683.79)**
Less: Hedged through forward contracts	-	-	(0.19)	-	-	(4.28)	**(4.47)**
Net Liabilities (ii)	**(1,526.68)**	**(567.65)**	**(235.80)**	**(610.54)**	**(443.48)**	**(295.17)**	**(3,679.32)**
Net exposure (i)+(ii)	**419.09**	**(359.40)**	**105.93**	**736.64**	**(9.50)**	**420.91**	**1,313.67**
As at March 31, 2023							
Assets	2,516.57	225.81	500.34	729.48	320.66	902.27	**5,195.13**
Less: Hedged through forward contracts	227.48	-	-	-	-	262.21	**489.69**
Net Assets (i)	**2,289.09**	**225.81**	**500.34**	**729.48**	**320.66**	**640.06**	**4,705.44**
Liabilities	(1,579.05)	(710.95)	(23.03)	(341.53)	(309.96)	(342.73)	**(3,307.25)**
Less: Hedged through forward contracts	-	-	-	-	-	(4.12)	**(4.12)**
Net Liabilities (ii)	**(1,579.05)**	**(710.95)**	**(23.03)**	**(341.53)**	**(309.96)**	**(338.61)**	**(3,303.13)**
Net exposure (i)+(ii)	**710.04**	**(485.14)**	**477.31**	**387.95**	**10.70**	**301.45**	**1,402.31**

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Sensitivity for above net exposures:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from financial instruments in the books of foreign operations whose Functional currency is other than INR.

5% appreciation / depreciation in the foreign currency will have following impact on profit / (loss) before tax and equity [gains / (losses)]:

₹ in Crore

Exposure to currencies	Change in rate	Impact on profit before tax		Impact on equity	
		For the year ended March 31, 2024	For the year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD	+5%	15.18	25.59	5.77	9.91
	-5%	(15.18)	(25.59)	(5.77)	(9.91)
BRL	+5%	-	-	(17.97)	(24.26)
	-5%	-	-	17.97	24.26
EUR	+5%	5.06	24.09	0.24	(0.22)
	-5%	(5.06)	(24.09)	(0.24)	0.22
SAR	+5%	(0.24)	(0.22)	37.07	19.62
	-5%	0.24	0.22	(37.07)	(19.62)
AED	+5%	3.00	4.93	(3.48)	(4.40)
	-5%	(3.00)	(4.93)	3.48	4.40
Others	+5%	16.95	8.66	4.09	6.41
	-5%	(16.95)	(8.66)	(4.09)	(6.41)

(b) Interest rate risk management

The Group is exposed to interest rate risk because the Group borrows funds at both fixed and floating interest rates. The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt. While most of the Group's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk, a major portion of foreign currency debt is linked to international interest rate benchmarks like SOFR.

Group's rupee borrowings are linked to variability in Bank MCLR rate, repo rate and T bill rates.

The Group's exposures to interest rates changes at the end of the reporting period are as follows :

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate instruments	1,931.66	1,260.32
Fixed rate instruments	1,880.66	1,934.13
	3,812.32	**3,194.45**

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

Profit for the year ended March 31, 2024 would decrease/increase by ₹9.66 crore (for the year ended March 31, 2023: decrease/ increase by ₹6.30 crore). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

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(c) **Commodity price risk**

The Group is exposed to movement in metal commodity prices of Copper, Aluminium, Zinc and Lead. Most of the Group's contracts with the Indian customers are backed by a price variation for most of these metals. However, profitability in case of firm price orders is impacted by movement in the prices of these metals. The Group has a well defined hedging policy approved by Board of Directors of the Company, which to a large extent takes care of the commodity price fluctuations and minimizes the risk. For base metals like Aluminium, Copper, Zinc and Lead, the Group either places a firm order on the supplier or hedges its exposure on the London Metal Exchange (LME) directly.

Note 53B.2 Liquidity risk management

The Board of Directors of the Company have established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are linked to floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Crore

Particulars	Less than 1 year	1-3 Years	3-5 Years	More than 5 years	Total	Carrying Amount
As at March 31, 2024						
Borrowings	3,667.58	249.62	-	-	**3,917.20**	**3,826.12**
Lease liabilities	23.43	44.61	31.63	164.70	**264.37**	**172.71**
Trade payables	9,206.98	-	-	-	**9,206.98**	**9,206.98**
Other financial liabilities	15.89	-	-	-	**15.89**	**15.89**
Total	**12,913.88**	**294.23**	**31.63**	**164.70**	**13,404.44**	**13,221.70**
As at March 31, 2023						
Borrowings	2,775.39	398.15	165.84	-	**3,339.38**	**3,215.84**
Lease liabilities	22.05	52.61	38.67	166.06	**279.39**	**188.92**
Trade payables	8,388.33	-	-	-	**8,388.33**	**8,388.33**
Other financial liabilities	32.78	-	-	-	**32.78**	**32.78**
Total	**11,218.55**	**450.76**	**204.51**	**166.06**	**12,039.88**	**11,825.87**

The Group has access to various fund/non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments is ₹ 8,764.18 crore as at March 31, 2024 (₹ 9,180.70 crore as at March 31, 2023).

Note 53B.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Group's major customers includes government bodies and public sector undertakings. Further, many of the International projects are funded by the multilateral agencies such as World Bank, African Development Bank, Asian Development Bank, etc. For private customers, the Group evaluates the creditworthiness based on publicly available financial information and the Group's historical experiences. The Group's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers. Group doesn't have significant financing component in the contracts with customers.

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The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amounts of financial assets are net of an allowance for doubtful accounts, estimated by the Group and based, in part, on the age of specific receivable balance and the current and expected collection trends. When assessing the credit risk associated with its receivables, the Group also considers the other financial and non-financial assets and liabilities recognized within the same project to provide additional indications on the Group's exposure to credit risk. As such, in addition to the age of its financial assets, the Group also considers the age of its contracts in progress, as well as the existence of any deferred revenue or down payments on contracts on the same project or with the same client.

The Group has used practical expedient by computing expected credit loss allowance for trade receivable and contract assets by taking into consideration payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit loss experiences within this period for each Strategic Business Unit (SBU). The historical loss rates are adjusted to reflect current and forward looking information taking into account the macro economic factors affecting the ability of the customers to settle the receivables. The expected credit loss is based on the ageing of the days, the receivables due and the expected credit loss rate. In addition, in case of event driven situation as litigations, disputes, change in customer's credit risk history, specific provisions are made after evaluating the relevant facts and expected recovery.

Refer Note No. 11, 12, 16 and 20 for ECL provisioning and its movement on financial assets carried at amortised cost

Company estimates the following provision matrix at the reporting date.

Particulars	Expected Credit Loss (ECL)%	
	As at March 31, 2024	As at March 31, 2023
Not Due	0.01% to 0.86%	0.04% to 1.00%
From 0 to 6 Months	0.03% to 1.66%	0.15% to 3.75%
6 Months to 1 Year	0.85% to 10.50%	0.35% to 15.50%
1 Year to 2 year	4.85% to 32.00%	0.90% to 50.00%
2 year to 3 year	10.00% to 65.00%	10.00% to 80.00%
More than 3 year	22.50% to 100.00%	25.00% to 100.00%

Concentration risk: As at the year ended March 31, 2024, none of the customers exceed 10% of the Group's total trade receivables. As at year ended March 31, 2023, one of the customer exceed 10% of the Group's total trade receivables.

In addition the Group is exposed to credit risk in relation to financial guarantees given by the Group on behalf of its jointly controlled operations (net of Company's share). The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on (net of Company's share in jointly controlled operations), as at March 31, 2023 is ₹ 303.21 crores (as at March 31, 2023; ₹ 245.10 crore). These financial guarantees have been issued to the banks / customers on behalf of the jointly controlled operations under the agreements entered into by the jointly controlled operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Group considers the likelihood of any claim under the guarantee as remote.

Cash and cash equivalents:

The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating.

Derivatives:

The derivatives are entered into with bank and financial institution counterparties with good credit rating.

Other financial assets:

Other financial assets are neither past due nor impaired.

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Note 53C Derivative Financial instruments

The Group has adopted a Risk Management Policy approved by the Board of Directors of the Company for managing the foreign currency exposure. The policy enumerates the mechanism for Risk Identification, Risk Measurement and Risk Monitoring. The policy has approved a set of financial instruments for hedging foreign currency risk. The Group mainly uses forward contracts to manage the foreign currency risk.

(a) The following table details the non deignated foreign currency (FC) forward contracts, outstanding at the end of the reporting period.

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets /(liabilities) (₹ in Crore)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Sell USD/INR						
Less than 1 year	1.13	2.77	94.11	227.48	(0.07)	2.40
Sell EURO/ USD						
Less than 1 year	0.33	-	29.70	-	0.38	-
Sell EURO/ INR						
Less than 1 year	3.83	2.93	344.15	262.21	3.69	(3.01)
Buy EURO/ INR						
Less than 1 year	0.00	0.29	0.19	25.90	(0.00)	0.07
Buy JPY/INR						
Less than 1 year	7.77	18.88	4.28	11.65	0.17	(0.26)
BUY EUR/SAR						
Less than 1 year	0.11	-	9.67	-	(0.03)	-
Buy USD/ BRL						
Less than 1 year	1.09	0.19	90.71	15.42	(0.14)	0.86
Buy EUR/ BRL						
Less than 1 year	1.06	-	88.78	-	1.07	-
				Total	**5.07**	**0.06**

The line-items in the balance sheet that include the above instruments are “Other financial assets” and “Other financial liabilities”.

For the year ended March 31, 2024, the aggregate amount of realised gain under foreign currency forward contracts recognised in the Consolidated Statement of Profit and Loss is ₹6.28 crore (for the year ended March 31, 2023 : ₹ 10.46 crore).

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(b) **The Group has designated the following forward contracts as cash flow hedges which are outstanding as under:**

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets (liabilities) (₹ in Crore)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Sell USD/INR						
Less than 1 year	3.40	7.29	283.56	599.00	(0.04)	(6.38)
Buy USD/INR						
Less than 1 year	2.26	1.20	188.43	98.60	(0.10)	(0.17)
Sell EUR/INR						
Less than 1 year	0.13	1.80	11.68	160.84	(0.04)	1.62
				Total	**(0.18)**	**(4.93)**

The line-items in the balance sheet that include the above instruments are " Other Financial Assets" and "Other financial Liabilities"

The effect of cash flow hedge in the Consolidated Statement of Profit and Loss and Other Comprehensive Income is as follows:

₹ in Crore

Year	Risk Hedged	Opening Balance	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss (loss)/ gain	Amount reclassified from cash flow hedging reserve to statement of profit and (loss) / gain	Closing Balance	Line item affected in statement of profit and loss because of the reclassification
March 31, 2024	Foreign exchange risk	(5.02)	9.60	0.05	(4.86)	**(0.24)**	Revenue
	Less Deferred tax on above	(1.26)	2.42	0.01	(1.22)	**(0.06)**	
	Net Balance	**(3.76)**	**7.18**	**0.04**	**(3.64)**	**(0.18)**	
March 31, 2023	Foreign exchange risk	4.17	(17.51)	(0.08)	(8.24)	**(5.02)**	Revenue
	Less Deferred tax on above	1.05	(4.41)	(0.02)	(2.07)	**(1.27)**	
	Net Balance	**3.12**	**(13.10)**	**(0.06)**	**(6.17)**	**(3.75)**	

Amount lying in Cash flow hedge reserve will be reclassified to Consolidated Statement of Profit and Loss account within 12 months.

(C) Outstanding commodity contracts :

₹ in Crore

Cash flow hedges (Buy Commodity Contracts)		Type	Foreign currency (USD in Crore) Aluminium	Copper	Zinc	Lead	Nominal Amount (₹ in Crore) Aluminium	Copper	Zinc	Lead	Fair value assets / (liabilities) (₹ in Crore) Aluminium	Copper	Zinc	Lead
As at March 31, 2024	Less than 1 year	Buy	9.18	1.77	1.17	-	765.81	147.84	97.64	9.98	29.43	3.61	0.15	(0.23)
As at March 31, 2023	Less than 1 year	Buy	3.98	1.61	0.88	0.03	320.31	129.50	70.81	2.08	1.84	1.98	0.03	(0.05)
	Less than 1 year	Sell	(0.25)	-	0.09	-	(20.10)	-	6.95	-	0.08	-	0.06	-

The effect of cash flow hedge in the Consolidated Statement of Profit and Loss and other comprehensive income is as follows:

₹ in Crore

Year	Risk hedged	Opening Balance	Change in the value of the hedging instrument recognised in other comprehensive income/(loss)	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Cloisng Balance	Line item affected in statement of profit and loss because of the reclassification
March 31, 2024	Commodity price risk	5.14	42.59	(2.71)	(13.54)	**31.48**	Cost of materials consumed
	Less Deferred Tax on above	1.26	10.98	(0.72)	(3.57)	**7.95**	
	Net Balance	**3.88**	**31.60**	**(1.99)**	**(9.96)**	**23.53**	
March 31, 2023	Commodity price risk	6.99	(56.76)	(1.20)	(53.71)	**5.14**	Cost of materials consumed
	Less Deferred Tax on above	1.76	(14.80)	(0.31)	(13.99)	**1.29**	
	Net Balance	**5.23**	**(41.96)**	**(0.89)**	**(39.72)**	**3.84**	

Amount lying in Cash flow hedge reserve will be reclassified to Consolidated Statement of Profit and Loss account within 12 months.

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NOTE 54 EMPLOYEE BENEFIT PLANS

Brief description of the plans

1 **Defined contribution plans**

(A) Superannuation

All eligible employees are entitled to benefits under Superannuation, a defined contribution plan. The Group makes yearly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(B) Provident Fund

The Group makes contribution to respective regional provident fund commissioners in relation to the workers employed at factories located at Butibori, Jaipur, Jabalpur, Mysore, Vadodara & employees of a subsidiary KEC SPUR Infrastructure Private Limited. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(C) Employees' State Insurance Corporation

The Group makes contribution towards Employees State Insurance scheme operated by ESIC Corporation. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(D) Foreign Defined Contribution Plan

All eligible employees at Overseas subsidiaries are entitled under Foreign Defined Pension Fund. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(E) Provident Fund related to KEC International, Malaysia SDN BHD

The Company makes contribution to local authorities in Malaysia in relation to the Malaysian citizens who are on the rolls of KEC International, Malaysia SDN BHD. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

2 **Defined Benefit Plans**

(A) Gratuity

(i) Company, its Jointly Controlled Operations in India & KEC SPUR Infrastructure Private Limited

The Company, its jointly controlled operations (JCO) (i.e. CCECC-KEC JV, Longjian-KEC JV, KEC CCECC JV & VNC - KEC JV) & subsidiary in India (i.e. KEC SPUR Infrastructure Private Limited - KEC Spur) has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of the Gratuity scheme of the Company/JCOs in India/KEC Spur or as per payment of the Gratuity Act, 1972 whichever is higher. Vesting occurs upon completion of four years & 240 days of service.

The Company has set up an income tax approved trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The Company makes contribution to the plan. There are no minimum funding requirement for the plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Besides this, if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

(ii) Jointly Controlled operation in Saudi (Al Sharif JV)

The Jointly Controlled Operation has an obligation towards an unfunded defined benefit retirement plan i.e. End Service Benefit plan, (akin to gratuity) covering eligible employees. The benefits payable are as under:

For Service less than 5 years	1/2 * Service * Applicable salary
For Service more than 5 years	First Five Years: 1/2 * Service * Applicable Salary Beyond 5 Years: Service * Applicable Salary

The present value of the above defined benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2024.

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(iii) Overseas subsidiaries - SAE Towers México, S. de R.L. de C.V. (SAE Towers Mexico)

The subsidiaries have an unfunded retirement benefit and severance benefit plan, as per the requirement of Local Federal Labor Law. The benefit consists of amount to be paid to employees in case of death, disability and separation from the subsidiaries, according to the Articles 49, 50 and 162 of the Local Federal Labor Law.

(iv) Overseas subsidiary - KEC International, Malaysia SDN BHD (KEC Malaysia)

The defined benefit plan i.e. Gratuity Plan, provides for lump sum payment to vested employees on resignation/ termination or retirement and on death while in employment, an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months in terms of gratuity scheme provided by the subsidiary company or as per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

(v) Overseas subsidiary - KEC Tower LLC & KEC EPC LLC

The overseas subsidiary at Dubai i.e. KEC Tower LLC & KEC EPC LLC have an obligation towards an unfunded defined benefit retirement plan (akin to gratuity) covering eligible employees. The benefits are payable on completion of 1 year of service & are as under:

For Service less than 5 years	21 /30 * applicable salary * no. of years of service
For Service more than 5 years	1* applicable Salary * no. of years of service

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2024.

(B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees, other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

The above defined plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Details of defined contribution plan

The Group has recognised following amounts in the statement of profit and loss:

₹ in Crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Superannuation Fund	0.82	1.86
Provident Fund	5.11	5.31
Employees' Pension Scheme	9.34	8.86
Employees' State Insurance Corporation	0.16	0.12
Admin charges - PF, ESIC	1.21	0.96
Foreign Defined Contribution Plan (Provident fund)	3.50	2.18
Total	**20.14**	**19.29**

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Details of defined benefit plan

(A) Gratuity

₹ in Crore

	Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Components of defined benefit cost**			
	1	Current service cost	11.74	8.71
	2	Past service cost	-	0.14
	3	Interest cost on defined benefit obligation (Net)	1.08	0.34
	A	**Total expenses included in Statement of Profit and Loss (P&L)**	12.81	9.19
	4	Actuarial changes arising from changes in demographic assumptions	(2.41)	1.85
	5	Actuarial changes arising from changes in financial assumptions	2.50	(4.10)
	6	Actuarial changes arising from changes in experience adjustments	(1.54)	2.21
	7	Return on Plan Assets (excluding interest income)	(1.02)	0.79
	B	**Total recognized in Other Comprehensive Income (OCI)**	(2.46)	0.75
	C	**Total defined benefit cost recognized in P&L and OCI**	10.35	9.94
II	**Actual Contribution and Benefits Payments for the year**			
	1	Actual Benefits Payments	(7.23)	(6.86)
	2	Actual Contributions	9.91	3.93
III	**Net asset/(liability) recognized in the Balance Sheet**			
	1	Present Value of Defined Benefit Obligations	(74.09)	(66.26)
	2	Fair Value of Plan Assets	57.40	49.92
	3	Exchange fluctuation on account of conversion of Jointly Controlled operations	(4.36)	(3.84)
	4	Net asset / (liability) recognized in the Balance Sheet	(21.05)	(20.18)
IV	**Change in Present Value of Defined Benefit Obligation during the year**			
	1	Present Value of Defined Benefit Obligation as at the beginning of the year	66.26	60.51
	2	Plan Liability acquired during the year	-	-
	3	Current Service Cost	11.74	8.71
	4	Past Service Cost	-	0.14
	5	Interest Cost	4.77	3.80
	6	Benefits paid including direct payment	(7.23)	(6.86)
	7	Actuarial changes arising from changes in demographic assumptions	(2.41)	1.85
	8	Actuarial changes arising from changes in financial assumptions	2.50	(4.10)
	9	Actuarial changes arising from changes in experience adjustments	(1.54)	2.21
	10	Present Value of Defined Benefit Obligations as at the end of the year	74.09	66.26
V	**Change in Fair Value of Plan Assets during the year**			
	1	Plan Assets as at the beginning of the year	49.92	50.17
	2	Plan Assets acquired during the year	-	-
	3	Interest Income	3.72	3.47
	4	Actual Company Contributions	9.91	3.93
	5	Benefits paid	(7.23)	(6.86)
	6	Expected return on Plan Assets (excluding interest income)	1.08	(0.79)
	7	Plan Assets as at the end of the year	57.40	49.92

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Particulars				As at March 31, 2024	As at March 31, 2023
VI-A	**Actuarial Assumptions (Considered for the Company) (Funded)**				
	1	Discount Rate		7.20%	7.40%
	2	Expected Return on plan assets		7.20%	7.40%
	3	Salary escalation Rate		9.00%	8.00%
	4	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult**	
	5	Disability		5% of Mortality Rate	
	6	Withdrawal (Rate of Employee Turnover)	Upto 30 years	21.00%	23.00%
			31-44 years	17.00%	13.00%
			45 years and above	11.00%	6.00%
VI-B	**Actuarial Assumptions (Considered for Jointly Controlled Operation in Al Sharif JV (Sudi)) (Unfunded)**				
	1	Discount Rate		4.90%	5.10%
	2	Salary escalation Rate		7.00%	7.00%
	3	Mortality Table		**Implicit in Withdrawal**	
	4	Disability		**Implicit in Withdrawal**	
	5	Withdrawal (Rate of Employee Turnover)	Managers (M0 to M6)	12.00%	10.00%
			Others	12.00%	10.00%
VI-C	**Actuarial Assumptions (Considered for Jointly Controlled Operation CCECC-KEC JV) (Unfunded)**				
	1	Discount Rate		7.20%	7.50%
	2	Salary escalation Rate		8.00%	8.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.50%	7.50%
			31-44 years	7.50%	7.50%
			45 years and above	7.50%	7.50%
VI-D	**Actuarial Assumptions (Considered for Jointly Controlled Operation Longjian-KEC JV (Unfunded)**				
	1	Discount Rate		7.30%	7.60%
	2	Salary escalation Rate		8.00%	8.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.50%	7.50%
			31-44 years	7.50%	7.50%
			45 years and above	7.50%	7.50%
VI-E	**Actuarial Assumptions (Considered for Jointly Controlled Operation VNC KEC JV (Unfunded)**				
	1	Discount Rate		7.30%	7.60%
	2	Salary escalation Rate		8.00%	8.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	17.00%	17.00%
			31-44 years	12.00%	12.00%
			45 years and above	11.00%	11.00%
VI-F	**Actuarial Assumptions (Considered for Jointly Controlled Operation KEC-CCECC JV (Unfunded)**				
	1	Discount Rate		7.30%	7.50%
	2	Salary escalation Rate		8.00%	8.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	17.00%	17.00%
			31-44 years	12.00%	12.00%
			45 years and above	11.00%	11.00%

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Particulars				As at March 31, 2024	As at March 31, 2023
VI-G	**Actuarial Assumptions (Considered for KEC SPUR Infrastructure Private Limited) (Funded)**				
	1	Discount Rate		7.20%	7.20%
	2	Expected Return on plan assets		7.20%	7.20%
	3	Salary escalation Rate		9.00%	8.00%
	4	Mortality Table		**Indian Assured Lives Mortality(IALM) (2006-08) (modified) Ult**	
	5	Disability		**5% of Mortality rate**	
	6	Withdrawal (Rate of Employee Turnover)	Upto 30 years	15.00%	10.00%
			31-44 years	15.00%	10.00%
			45 years and above	15.00%	10.00%
VI-H	**Actuarial Assumptions (Considered for overseas subsidiary at Mexico) (Unfunded)**				
	1	Discount Rate		9.38%	9.16%
	2	Salary escalation Rate		5.50%	5.50%
	3	Mortality Table		**EMSSA 09**	
	4	Disability Table		**ACTIMSS**	
	5	Withdrawal (Rate of Employee Turnover)		30.00%	30.00%
VI-I	**Actuarial Assumptions (Considered for overseas subsidiary at Malaysia) (Unfunded)**				
	1	Discount Rate		3.90%	4.10%
	2	Salary escalation Rate		0.00%	0.00%
	3	Mortality Table		**Mortality Studies of Malaysian Assured Lives from 2011 to 2015**	
	4	Disability		**5% of Mortality rate**	
	5	Withdrawal (Rate of Employee Turnover)	Managers	10.00%	10.00%
			Others	15.00%	15.00%
VI-J	**Actuarial Assumptions (Considered for overseas subsidiary - KEC Tower LLC, Dubai) (Unfunded)**				
	1	Discount Rate		5.20%	5.20%
	2	Salary escalation Rate		6.00%	6.00%
	3	Mortality Table		**Implicit in withdrawal**	
	4	Disability		**Implicit in withdrawal**	
	5	Withdrawal (Rate of Employee Turnover)	Involuntary	5.00%	0.00%
			Voluntary	5.00%	5.00%
VI-K	**Actuarial Assumptions (Considered for overseas subsidiary - EPC LLC, Dubai) (Unfunded)**				
	1	Discount Rate		4.90%	4.90%
	2	Salary escalation Rate		8.00%	7.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Involuntary	11.00%	12.00%
			Voluntary	11.00%	12.00%
VII	The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.				
VIII	**The major categories of Plan Assets of the Company as a percentage of the total plan assets**				
	Equity			0.33%	4.43%
	Debt			52.30%	53.12%
	Money Market Investments			47.37%	42.45%
IX	**The major categories of Plan Assets of the subsidiary KEC SPUR Infrastructure Private Limited as a percentage of the total plan assets**				
	Equity			0.00%	0.00%
	Debt			100.00%	100.00%
	Money Market Investments			0.00%	0.00%
	Mutual Fund			0.00%	0.00%

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

	Particulars	As at March 31, 2024	As at March 31, 2023
X	**Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2024 - ₹ 8.20 crore**		
XI	**Contribution expected to be paid to the Plan of the Subsidiary, KEC SPUR Infrastructure Private Limited during the year ended March 31, 2024 - ₹0.05 crore**		
XII	**Weighed Average duration of the Plan**		
	Considered for the Company	6 years	6 years
	Considered for Joint Operation in Al Sharif JV	7 years	7 years
	Considered for Jointly Controlled Operation - CCECC-KEC JV	10 years	10 years
	Considered for Jointly Controlled Operation - Longjian-KEC JV	11 years	11 years
	Considered for Jointly Controlled Operation - VNC-KEC JV	8 years	8 years
	Considered for Jointly Controlled Operation - KEC - CCECC JV	9 years	9 years
	Considered for Subsidiary - KEC SPUR Infrastructure Private Limited	6 years	6 years
	Considered for Subsidiary - KEC International, Malaysia SDN BHD	11 years	11 years
	Considered for Subsidiary - SAE Towers Mexico S de RL de CV	8 years	8 years
	Considered for Subsidiary - KEC Tower LLC	13 years	16 years
	Considered for Subsidiary - KEC EPC LLC	7 years	7 years

₹ in Crore

	Maturity profile of defined benefit obligation	As at March 31, 2024	As at March 31, 2023
1	Year 1	10.64	7.57
2	Year 2	18.71	11.09
3	Year 3	12.71	9.80
4	Year 4	11.97	10.77
5	Year 5	13.02	11.75
6	Next 5 years	66.70	59.92

	Financial assumptions sensitivity analysis (updated closing balance of present value of defined benefit obligation)	As at March 31, 2024	As at March 31, 2023
A.	Discount rate		
	Discount rate - 50 basis points	80.80	71.12
	Discount rate + 50 basis points	76.23	66.89
B.	Salary increase rate		
	Salary rate - 50 basis points	74.97	67.03
	Salary rate + 50 basis points	79.03	70.86
	Demographic assumptions sensitivity analysis		
C.	Withdrawal Rate		
	Withdrawal Rate - 100 basis points	75.53	66.28
	Withdrawal Rate + 100 basis points	74.00	65.27

Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years and same data, method and assumptions have been used in preparing the sensitivity analysis which are used to determine period end defined benefit obligation.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

XIII The following table shows a breakdown of the defined benefit obligation and plan assets of the Company:

₹ in Crore

Particulars	As at March 31, 2024			As at March 31, 2023		
	Gratuity					
	(A) Present value of obligation	(B) Fair value of plan assets	(C) Total liability = (A) - (B)	(A) Present value of obligation	(B) Fair value of plan assets	(C) Total liability = (A) - (B)
Company	58.29	56.84	**1.45**	54.22	49.44	**4.78**
Al Sharif JV	12.95	-	**12.95**	10.24	-	**10.24**
CCECC-KEC JV	0.45	-	**0.45**	0.31	-	**0.31**
Longjian-KEC JV	0.51	-	**0.51**	0.41	-	**0.41**
VNC-KEC JV	0.02	-	**0.02**	0.05	-	**0.05**
KEC-CCECC JV	0.02	-	**0.02**	0.13	-	**0.13**
SAE Towers Mexico	3.72	-	**3.72**	3.18	-	**3.18**
KEC Malaysia	0.05	-	**0.05**	0.04	-	**0.04**
KEC Tower LLC	1.48	-	**1.48**	1.01	-	**1.01**
EPC LLC	0.46	-	**0.46**	0.12	-	**0.12**
KEC Spur	0.50	0.56	**(0.06)**	0.39	0.48	**(0.09)**
	78.45	**57.40**	**21.05**	**70.10**	**49.92**	**20.18**

** Jointly Controlled Operations have been incorporated during the year ended March 31, 2024.*

(B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Consolidated Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Crore

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Company's contribution to the provident fund	11.44	9.81

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

₹ in Crore

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
a.	Approach used	Deterministic	Deterministic
b.	Discount Rate	7.20%	7.40%
c.	Attrition Rate		
	Upto 30 years	21.00%	23.00%
	31 - 44 years	17.00%	13.00%
	45 years and above	11.00%	6.00%
d.	Weighted Average Yield	7.40%	6.90%
e.	Weighted Average YTM	7.40%	6.90%
f.	Reinvestment Period on Maturity	5 years	6 years
g.	Mortality Rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate	

3 Long term/short term employee benefits (Compensated Absences)

The long/short term employee benefit covers the Group's liability for sick and earned leave.

The amount of the provision is ₹42.18 crore (as at 31st March, 2023 ₹39.53 crore).

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 55 RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 “Related Party Disclosures” are given below:

(A) Details of related parties with whom transactions have taken place

Key Management Personnel (KMP)

Mr. H. V. Goenka- Chairman

Mr. Vimal Kejriwal - Managing Director and CEO

Mr. Rajeev Aggarwal - Chief Financial Officer

Mr. A. T. Vaswani - Non-Executive Director (upto April 11, 2024)

Mr. D. G. Piramal - Non-Executive Director

Mr. G.L. Mirchandani - Non-Executive Director (upto July 15, 2023)

Ms. Nirupama Rao - Non-Executive Director

Mr. R. D. Chandak - Non-Executive Director

Mr. S. M. Trehan - Non-Executive Director

Mr.Vinayak Chatterjee - Non-Executive Director

Mr. Vikram Gandhi - Non-Executive Director

Mr. M. S. Unnikrishnan - Non-Executive Director

Ms. Neera Saggi - Non-Executive Director (w.e.f. March 27, 2024)

Post - Employment benefit plan

KEC International Limited Employees’ Group Gratuity Scheme

KEC International Limited - Provident Fund

KEC International Limited Superannuation Scheme

Entities where control / significant influence by KMPs and their relatives exists and with whom transactions have taken place

CEAT Limited

B. N. Elias & Co. LLP

Palacino Properties LLP

RPG Life Sciences Limited

RPG Enterprises Limited

Raychem RPG Private Limited

Ceat Speciality Tyres Limited

Harrisons Malayalam Limited

Spencer and Company Limited

Zensar Technologies Limited

Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)

Summit Securities Limited (holds 10.96 percent Equity Shares of the Company)

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 55 RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 “Related Party Disclosures” are given below:

(B) Transactions with the Related Parties

₹ in Crore

Transactions	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Sale of Products	**-**	**5.50**	**-**	5.50	**-**	**0.63**	**-**	0.63
CEAT Limited	-	4.80	-	**4.80**	-	0.42	-	**0.42**
Raychem RPG Private limited	-	-	-	**-**	-	0.21	-	**0.21**
RPG Life Sciences Limited	-	0.71	-	**0.71**	-	-	-	
Construction contracts revenue	**-**	**18.97**	**-**	**18.97**	**-**	**6.30**	**-**	**6.30**
RPG Life Sciences Limited	-	18.97	-	**18.97**	-	6.00	-	**6.00**
CEAT Limited	-	-	-	**-**	-	0.30	-	**0.30**
Sale of services	-	0.06	-	**0.06**	-	0.10	-	**0.10**
CEAT Limited	-	0.06	-	**0.06**	-	0.10	-	**0.10**
Services received	-	42.64	-	**42.64**	-	37.13	-	**37.13**
Raychem RPG Private limited	-		-	**-**	-	-	-	**-**
CEAT Limited	-	4.79	-	**4.79**	-	4.90	-	**4.90**
RPG Enterprises Limited	-	37.83	-	**37.83**	-	32.23	-	**32.23**
Breach Candy Hospital Trust	-		-	**-**	-	-	-	**-**
Harrisons Malayalam Limited	-	0.02	-	**0.02**	-	-	-	**-**
Rent Income	**-**	**0.30**	**-**	**0.30**	**-**	**0.29**	**-**	**0.29**
CEAT Limited	-	0.02	-	**0.02**	-	0.02	-	**0.02**
RPG Life Sciences Limited	-	0.06	-	**0.06**	-	0.06	-	**0.06**
Summit Securities Limited	-	0.06	-	**0.06**	-	0.06	-	**0.06**
RPG Enterprises Limited	-	0.16	-	**0.16**	-	0.15	-	**0.15**
Purchase of goods	**-**	**7.19**	**-**	**7.19**	**-**	**10.00**	**-**	**10.00**
Harrisons Malayalam Limited	-	0.05	-	**0.05**	-	0.03	-	**0.03**
CEAT Limited	-	0.10	-	**0.10**		-		
Raychem RPG Private limited	-	7.05	-	**7.05**	-	9.97	-	**9.97**
Rent & maintenance charges paid	**-**	**4.84**	**-**	**4.84**	**-**	**4.59**	**-**	**4.59**
Palacino Properties LLP	-	0.29	-	**0.29**	-	0.28	-	**0.28**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

Transactions	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Spencer and Company Limited	-	4.55	-	**4.55**	-	4.31	-	**4.31**
Compensation to Key Management Personnel								
Mr.Vimal Kejriwal - Managing Director & CEO	**9.40**	**-**	**-**	**9.40**	**8.69**	**-**	**-**	**8.69**
short-term employee benefits (including Bonus and value of perquisites)	9.32	-	-	**9.32**	8.28	-	-	**8.28**
post-employment benefits # $	0.08	-	-	**0.08**	0.41	-	-	**0.41**
Mr. Rajeev Aggarwal - Chief Financial Officer	**4.51**	**-**	**-**	**4.51**	**4.15**	**-**	**-**	**4.15**
short-term employee benefits (including Bonus and value of perquisites)	4.43	-	-	**4.43**	4.04	-	-	**4.04**
post-employment benefits # $	0.08	-	-	**0.08**	0.11	-	-	**0.11**
Sitting fees & Commission paid to Non-Executive Directors	**4.24**	**-**	**-**	**4.24**	**4.14**	**-**	**-**	**4.14**
Mr. H. V. Goenka	2.39	-	-	**2.39**	2.41	-	-	**2.41**
Mr. A. T. Vaswani	0.27	-	-	**0.27**	0.23	-	-	**0.23**
Mr. D. G. Piramal	0.20	-	-	**0.20**	0.17	-	-	**0.17**
Mr. G.L. Mirchandani	0.04	-	-	**0.04**	0.17	-	-	**0.17**
Ms. Nirupama Rao	0.22	-	-	**0.22**	0.18	-	-	**0.18**
Mr. R. D. Chandak	0.27	-	-	**0.27**	0.24	-	-	**0.24**
Mr. S. M. Trehan	0.27	-	-	**0.27**	0.24	-	-	**0.24**
Mr. Vinayak Chatterjee	0.20	-	-	**0.20**	0.17	-	-	**0.17**
Mr. Vikram Gandhi	0.18	-	-	**0.18**	0.16	-	-	**0.16**
Mr. M. S. Unnikrishnan	0.20	-	-	**0.20**	0.17	-	-	**0.17**
Purchase of Fixed Assets	**-**	**-**	**-**	**-**	**-**	**0.16**	**-**	**0.16**
Zensar Technologies Limited	-	-	-	**-**	-	0.16	-	**0.16**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

Transactions	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Payments made/expenses incurred on behalf of related party	**-**	**1.79**	**-**	**1.79**	**-**	**-**	**-**	**-**
RPG Life Sciences Limited	-	-	-	**-**	-	-	-	**-**
RPG Enterprises Limited	-	-	-	**-**	-	-	-	**-**
Summit Securities Limited	-	-	-	**-**	-	-	-	**-**
Zensar Technologies Limited	-	-	-	**-**	-	-	-	**-**
CEAT Limited	-	1.79	-	**1.79**	-	-	-	**-**
Raychem RPG Private limited	-		-	**-**	-	-	-	**-**
Advance Received for project Execution	**-**	**19.66**	**-**	**19.66**	**-**	**-**	**-**	-
CEAT Limited	-	19.66	-	**19.66**	-	-	-	-
Payments made/expenses incurred by related party	**-**	**-**	**-**	**-**	**-**	**1.16**	**-**	**1.16**
CEAT Limited	-	-	-		-	1.16	-	**1.16**
Contribution made	**-**	**-**	**21.31**	**21.31**	**-**	**-**	**13.25**	**13.25**
KEC International Limited Employee's Gratuity Fund	-	-	8.90	**8.90**	-	-	2.50	**2.50**
KEC International Limited Provident Fund	-	-	11.44	**11.44**	-	-	9.81	**9.81**
KEC International Limited Superannuation Fund	-	-	0.97	**0.97**	-	-	0.94	**0.94**

★ *less than rounding off norms adopted by the Group*

excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Group.

$ *Including PF and other benefits.*

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(C) Balances outstanding as at the year end

₹ in Crore

Balances	As at March 31, 2024				As at March 31, 2023			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Amount receivable	**-**	**7.07**	**-**	**7.07**	**-**	**0.51**	**-**	**0.51**
RPG Life Sciences Limited	-	3.37	-	**3.37**	-	-	-	**-**
Palacino Properties LLP	-	0.09	-	**0.09**	-	0.37	-	**0.37**
B. N. Elias & Co. LLP	-	0.01	-	**0.01**	-	0.04	-	**0.04**
CEAT Limited	-	0.89	-	**0.89**	-	0.09	-	**0.09**
Spencer and Company Limited	-	2.70	-	**2.70**	-	0.01		**0.01**
Amount Payable	**3.68**	**26.68**	**-**	**30.36**	**3.44**	**0.96**	**-**	**4.41**
RPG Enterprises Limited	-	0.28	-	**0.28**	-	0.36	-	**0.36**
Raychem RPG Private limited	-	5.16	-	**5.16**	-	0.57	-	**0.57**
CEAT Limited	-	20.16	-	**20.16**	-	0.03	-	**0.03**
Palacino Properties LLP	-	1.08	-	**1.08**	-	-	-	**-**
Mr. H. V. Goenka	2.36	-	-	**2.36**	2.36	-	-	**2.36**
Mr. A. T. Vaswani	0.16	-	-	**0.16**	0.12	-	-	**0.12**
Mr. D. G. Piramal	0.16	-	-	**0.16**	0.12	-	-	**0.12**
Mr. G.L. Mirchandani	0.04	-	-	**0.04**	0.12	-	-	**0.12**
Ms. Nirupama Rao	0.16	-	-	**0.16**	0.12	-	-	**0.12**
Mr. R. D. Chandak	0.16	-	-	**0.16**	0.12	-	-	**0.12**
Mr. S. M. Trehan	0.16	-	-	**0.16**	0.12	-	-	**0.12**
Mr. Vinayak Chatterjee	0.16	-	-	**0.16**	0.12	-	-	**0.12**
Mr. Vikram Gandhi	0.16	-	-	**0.16**	0.12	-	-	**0.12**
Mr. M. S. Unnikrishnan	0.16	-	-	**0.16**	0.12	-	-	**0.12**

Note: The sales / provision to and purchase / provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Notes

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NOTE 56 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent Liabilities [#]

Claims against the Group not acknowledged as debt:

₹ in Crore

Sr. No	Particulars	Relating to various years comprise in the period	As at March 31, 2024	As at March 31, 2023
1	Sales Tax /Value Added Tax* (Tax/Penalty/Interest)	1994-2021	47.22	
		1994-2021		30.40
2	Excise Duty * (Tax/Penalty/Interest)	2008-2018	11.83	
		2008-2018		11.86
3	Service Tax * (Tax/Penalty/ Interest)	2008-2016	4.05	
		2008-2016		4.05
4	Entry Tax* (Tax/Penalty/Interest)	2010-2012	0.31	
		2010-2012		0.31
5	Goods & Services Tax (Tax/Penalty/Interest)	2018-2021	0.27	
		2018-2021		0.12
6	(i) Income Tax matters of the Company mainly on disallowance of depreciation and Tax levied on guarantees given to Associated Enterprises, etc.	A.Y 2020-21 A.Y 2021-22	3.96	
		A.Y 2015-16 A.Y 2016-17 A.Y 2017-18 A.Y. 2018-19		42.05
	(ii) Income Tax matters at overseas unit/s of the Company**	2002-2021	11.21	
		2002-2021		17.64
	(iii) Income Tax matters of a jointly controlled operation (Company's share)**	2013-2017	4.39	
		2013-2017		4.39
	(iv) Income tax matter of a subsidiary	A.Y. 2022-23	0.04	-
7	Customs Duty^	1995-1996	0.60	
		1995-1996		0.60
8	Civil Suits^^		38.57	
				27.24
9	Guarantees excluding financial guarantees :- Surety bonds obtained by Company's Subsidiaries in Brazil, Mexico and the United States for certain customer contracts.		508.31	612.78

Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

**These claims mainly relate to the issues of applicability, issue of disallowance of cenvat / VAT credit and in case of Sales Tax/ Value added tax, also relate to the issue of submission of relevant forms and the Group's claim of exemption for MVAT on export sales and services.*

*** These claims mainly relate to the issues of appropriate jurisdiction for tax applicability at overseas locations.*

^ These claims mainly relate to the issues of clearance of goods from customs within time limit.

^^ These suits includes Civil suits as well as Industrial relations & labour laws cases.

[#]Excluding financial guarantees referred to in Note 53B.3

(ii) Commitments

₹ in Crore

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	74.37	58.96
2	Derivative related commitments	Refer Notes 53C	

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 57 SEGMENT REPORTING

During the year ended March 31, 2024, in line with the changes in the internal structure for reporting financial information to the entity's chief operating decision maker (CODM), the group has changed its segment disclosure for the current and previous periods and identified Engineering, Procurement and Construction business (EPC) as the only reportable segment as per Ind AS 108 "Operating segments" and other operating segment has been disclosed as "Others" as follows:

(a) Engineering, Procurement and Construction business (EPC): It comprises of infrastructure related projects, systems, products and related activities for power transmission and distribution, railways track laying, electrification, civil, urban infrastructure, oil and gas pipelines laying, etc.

(b) Others: It comprises of sale of cables."

Summarized segment information based on business segment and geographical segment are as follows:

(a) Business segment

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Segment revenue (Revenue from Operations)		
EPC	18,699.99	16,127.35
Others	1,645.42	1,615.02
Less: Inter-segment revenue	(431.24)	(460.66)
Net Segment Revenue	**19,914.17**	**17,281.71**
(ii) Segment Results (before finance cost, depreciation and amortisation expense and other income)		
EPC	1,113.78	747.77
Others	100.79	81.96
Total Segment Results	**1,214.57**	**829.73**
Add/(less) :		
Other income	52.41	31.32
Finance cost	(655.13)	(538.59)
Depreciation and amortisation expense	(185.36)	(161.48)
Profit before exceptional item and tax	**426.49**	**160.98**
Less: Tax expense		
Current tax	114.10	121.74
Deferred tax	(34.39)	(136.79)
Profit for the period	**346.78**	**176.03**
(iii) Other segment information:		
1. Segment assets		
EPC	18,129.89	16,263.32
Others	901.58	1,015.27
Total Segment Assets	19,031.47	17,278.59
2. Segment liabilities		
EPC	14,069.28	12,594.90
Others	866.49	912.27
Total Segment Liabilities	**14,935.77**	**13,507.17**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(b) Information about geographical areas are as under :

₹ in Crore

Particulars	Revenue fromExternal customers		Non-current assets	
	Year ended March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
India	12,744.14	10,869.99	1,251.10	1,160.98
United Arab Emirates (UAE)	781.24	533.52	249.78	255.77
Brazil, Mexico and USA	1,429.02	1,311.27	512.32	515.57
Geographies other than above	4,959.77	4,566.93	156.48	147.86
Total	**19,914.17**	**17,281.71**	**2,169.68**	**2,080.18**

Information about major customers

During the year ended March 31, 2024 and March 31, 2023, revenue arising from any single customer in India is not contributing to more than 10% of the Group's revenue.

No other customer outside India, individually contributed 10% or more to the Group's revenue for the year ended March 31, 2024 and for the year ended March 31, 2023.

NOTE 58 – DISCLOSURE PURSUANT TO IND AS 1 – "PRESENTATION OF FINANCIAL STATEMENTS"

The details of amounts which are expected by the Group to be recovered or settled after twelve months in respect of assets and liabilities relating to long-term contracts which are classified as current are as under:

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables	1,090.31	551.68
Contract Assets	103.47	300.53
Contract Liabilities	255.3	296.44
Trade Payables	129.27	219.19

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 59 - ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO DIVISION II TO SCHEDULE III TO THE COMPANIES ACT, 2013

NOTE 59.1

As at March 31, 2024

Name of the entities Consolidated in Financial Statements	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
1	2	3	4	5	6	7	8	9
Parent								
KEC International Limited	99.51	4,075.51	42.54	147.53	75.78	41.29	47.06	188.82
(Including jointly controlled operations & branches)								
Subsidiaries								
Indian								
1 KEC Power India Private Limited	0.01	0.39	0.00	0.01	-	-	0.00	0.01
2 KEC Spur Infrastructure Private Limited	3.08	125.98	11.25	39.03	(0.01)	(0.01)	9.73	39.03
Foreign								
1 RPG Transmission Nigeria Limited, Nigeria	0.00	0.06	(0.00)	(0.00)	(0.21)	(0.12)	(0.03)	(0.12)
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	-	-	-	-	-	-	-	-
3 KEC Investment Holdings, Mauritius	0.00	0.05	(0.05)	(0.17)	-	-	(0.04)	(0.17)
4 KEC Global Mauritius, Mauritius (upto September 24, 2023)	0.00	0.00	(0.09)	(0.32)	0.53	0.29	(0.01)	(0.03)
5 KEC International (Malaysia) SDN BHD	0.95	39.06	2.57	8.90	3.37	1.84	2.68	10.74
6 KEC Tower LLC	8.28	338.93	34.38	119.23	4.40	2.40	30.31	121.63
7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note)	15.82	648.03	9.94	34.47	16.15	8.80	10.78	43.26
Sub Total:	**127.64**	**5,228.01**	**100.55**	**348.67**	**100.00**	**54.48**	**100.47**	**403.17**
Consolidation Adjustment	(27.64)	(1,132.31)	(0.54)	(1.90)	-	-	(0.47)	(1.90)
Total:	**100.00**	**4,095.70**	**100.00**	**346.78**	**100.00**	**54.49**	**100.00**	**401.27**

Footnote :

The information has been furnished based on the Audited Consolidated Financial Statements of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

information for SAE Group based on the information considered in the Audited Consolidated Financial Statements of SAE Group are as under:

As at March 31, 2024

Name of the entities Consolidated in Financial Statements		Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of Consolidated Net Assets of KEC Group	Amount (₹ in Crore)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in Crore)	As % of Consolidated OCI of KEC Group	Amount (₹ in Crore)	As % of Consolidated TCI of KEC Group	Amount (₹ in Crore)
	1	2	3	4	5	6	7	8	9
1	SAE Towers Holdings LLC, Delaware (USA)	39.90	1,634.32	-	-	16.15	8.80	2.19	8.80
2	SAE Towers Ltd, Delaware (USA)	0.37	15.24	(1.85)	(6.42)	-	-	(1.60)	(6.42)
3	SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)	0.00	0.00	-	-	-	-	-	-
4	SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)	0.00	0.02	-	-	-	-	-	-
5	SAE Towers Construcao Ltda, Brazil	-	-	-	-	-	-	(0.01)	-
6	SAE Towers Brazil Torres de Transmission Ltda, Brazil	2.42	98.96	3.92	13.60	-	-	3.39	13.60
7	SAE Towers Mexico S de RL de CV, Mexico	3.96	162.31	8.81	30.56	-	-	7.61	30.56
8	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.44	18.04	-	-	-	-	-	-
9	KEC Engineering & Construction Servcices S de RL de CV (Mexico)	(0.08)	(3.33)	-	-	-	-	-	-
Less:	Net effect of Intra group elimination	(31.19)	(1,277.54)	(0.94)	(3.26)	-	-	(0.81)	(3.26)
Total		**15.82**	**648.03**	**9.94**	**34.47**	**16.15**	**8.80**	**10.78**	**43.26**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 59.2

As at March 31, 2023

Name of the entities Consolidated in Financial Statements	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
1	2	3	4	5	6	7	8	9
Parent								
KEC International Limited	105.10	3,963.83	102.40	180.25	39.60	30.80	83.16	211.05
(Including jointly controlled operations & branches)								
Subsidiaries								
Indian								
1 KEC Power India Private Limited	0.01	0.38	0.01	0.01	-	-	0.01	0.01
2 KEC Spur Infrastructure Private Limited	2.31	86.96	25.06	44.12	0.12	0.10	17.42	44.22
Foreign								
1 RPG Transmission Nigeria Limited, Nigeria	0.00	0.17	(0.00)	(0.00)	0.00	0.00	0.00	0.00
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	-	-	0.14	0.24	(0.62)	(0.48)	(0.09)	(0.24)
3 KEC Investment Holdings, Mauritius	0.00	0.03	(0.11)	(0.19)	-	-	(0.08)	(0.19)
4 KEC Global Mauritius, Mauritius	0.00	0.03	(0.07)	(0.13)	(0.55)	(0.43)	(0.22)	(0.56)
5 KEC International (Malaysia) SDN BHD	0.75	28.32	8.53	15.02	(0.70)	(0.55)	5.70	14.47
6 KEC Tower LLC	5.76	217.30	35.25	62.06	4.18	3.25	25.73	65.31
7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note)	13.85	522.31	(113.14)	(199.15)	58.06	45.15	(60.69)	(154.00)
Sub Total	**127.78**	**4,819.33**	**58.07**	**102.23**	**100.09**	**77.84**	**70.95**	**180.07**
Consolidation Adjustment	(27.78)	(1,047.91)	41.93	73.80	(0.09)	(0.06)	29.05	73.74
Total	**100.00**	**3,771.42**	**100.00**	**176.03**	**100.00**	**77.78**	**100.00**	**253.81**

Footnote :

The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

As at March 31, 2023

	Name of the entities Consolidated in Financial Statements	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of Consolidated Net Assets of KEC Group	Amount (₹ in Crore)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in Crore)	As % of Consolidated OCI of KEC Group	Amount (₹ in Crore)	As % of Consolidated TCI of KEC Group	Amount (₹ in Crore)
1	SAE Towers Holdings LLC, Delaware (USA)	40.51	1,527.96	-	-	58.06	45.15	17.79	45.15
2	SAE Towers Ltd, Delaware (USA)	0.57	21.37	0.30	0.53	-	-	0.21	0.53
3	SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)	0.00	0.00	-	-	-	-	-	-
4	SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)	0.00	0.01	-	-	-	-	-	-
5	SAE Towers Construcao Ltda, Brazil	-	-	-	-	-	-	(0.01)	-
6	SAE Towers Brazil Torres de Transmission Ltda, Brazil	0.14	5.34	(123.07)	(216.64)	-	-	(85.36)	(216.64)
7	SAE Towers Mexico S de RL de CV, Mexico	3.41	128.59	10.73	18.89	-	-	7.44	18.89
8	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.43	16.24	0.16	0.28	-	-	0.11	0.28
9	KEC Engineering & Construction Servcices S de RL de CV (Mexico)	(0.08)	(2.99)	-	-	-	-	-	-
Less:	Net effect of Intra group elimination	(31.13)	(1,174.21)	(1.26)	(2.21)	-	-	(0.87)	(2.21)
Total		**13.85**	**522.31**	**(113.14)**	**(199.15)**	**58.06**	**45.15**	**(60.69)**	**(154.00)**

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 60 - EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

₹ in Crore

	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	Gross amount required to be spent by the Company during the year	13.18	14.04
(b)	Amount approved by Board to be spent during the year	13.18	14.04
(c)	Amount spent during the year (in cash) on:		
(i)	Construction/acquisition of any asset	-	-
(ii)	on purposes other than (i) above*	10.52	9.70

*Includes ₹ 10.42 crore (Previous year ₹ 9.62 crore) towards contribution to RPG Foundation (Implementing Agency - CSR00000030) and ₹ 0.10 crore (Previous year ₹ 0.08 crore) towards Impact assessment.

A. Details of ongoing CSR Projects under Section 135(6) of the Act

₹ in Crore

Balance as at April 01, 2023		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2024	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
4.34	-	7.87	5.22	4.34	2.65*	-

(₹ in crore)

Balance as at April 01, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
3.13	-	13.71	9.37	3.13	4.34*	-

* ₹ 2.65 crore as at March 31, 2024 (Previous year ₹ 4.34 crore) were transferred to separate "CSR Unspent Account" before their respective due dates pursuant to the provisions of the Companies Act, 2013.

A. Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

₹ in Crore

Balance unspent as at April 01, 20223	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2024
-	-	5.31	5.31	-

₹ in Crore

Balance unspent as at April 01, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
-	-	0.33	0.33	-

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 61 - Commercial papers (CP) raised by the Company are unsecured and short-term in nature ranging between sixty one days to Ninety days. These CP are having a Credit Rating of CRISIL A1+ and IND A1+ and are listed on BSE Limited. During the year ended March 31, 2024, the Company has redeemed CP on the relevant due date.

NOTE 62 - The Company was executing few projects in Afghanistan, which are kept on hold due to force majeure event. The Company does not expect any material financial impact due to this event, as the projects are funded by international funding agencies [Asian Development Bank (ADB), USAID and World Bank]. During the year, the Company has realized outstanding amounts pursuant to the settlement with USAID of ₹ 148 crores and partial payments from the World Bank of ₹ 133 crores. Subsequent to the year end an amount of ₹ 109 crores has been realized from the World Bank in April 2024. ADB has also communicated to resolve the outstanding payments and has appointed a third-party agency, United Nations Office for Project Services, for verification of the physical work. The Company is closely monitoring the situation and given the current geopolitical environment in Afghanistan, probability of resumption of work is remote. As of March 31, 2024, the Company has a net exposure of ₹ 245 crore (translated at period end exchange rate), including exposure of Afghanistan branch after netting off advances, liabilities and adjusting contract liabilities. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed beyond their existing validity date(s), except bank guarantees in respect of one project, which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking making or receiving payment under the bank guarantees.

NOTE 63 – The Auditors of Branches located in Sri Lanka, South Africa and a jointly controlled operation at South Africa have given an Emphasis of matter paragraph, in relation to going concern assumption used for preparation of financial statements. Basis Company's assessment, the Group can adequately source the funding required at mentioned branches and Jointly Controlled Operation.

NOTE 64 - DETAILS OF BENAMI PROPERTY HELD:

No proceedings have been initiated on or are pending against any of the entities in the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

NOTE 65 - WILFUL DEFAULTER:

None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE 66 - RELATIONSHIP WITH STRUCK OFF COMPANIES:

Sr. No.	Name of the struck off company	Nature of transaction with the struck off company	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
1	King'Sbourn Globel Export India Private Limited.	Trade payables	NA	-	0.03
2	Anamika Infratech Private Limited	Trade payables	NA	-	0.03
3	Om Sairam Engicon Private Limited	Trade payables	NA	-	0.01
4	Koushalya Power Construction Private Limited	Trade payables	NA	-	0.01
5	Srs Software Solutions Private Limited	Trade payables	NA	0	0
6	J. K. Cement -Rj	Trade payables	NA	0.03	0.42
7	Kprs Engineering Private Limited	Trade payables	NA	0.02	0.04
8	King'Sbourn Globel Export India Pvt	Trade receivables	NA	0.02	-
9	Popular Stock And Share Services Private Limited	Shares held by struck off company	NA	-	-
10	Ushdev Securities Limited	Shares held by struck off company	NA	-	-
11	Gnk Investments Private Limited	Shares held by struck off company	NA	-	-
12	Badri Sarraf Finance And Mutual Benefit Company Limited	Shares held by struck off company	NA	-	-

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

Sr. No.	Name of the struck off company	Nature of transaction with the struck off company	Relationship with the struck off company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
13	Pegasus Mercantile Private Limited	Shares held by struck off company	NA	-	-
14	Highlands Garments Private Limited	Shares held by struck off company	NA	-	-
15	Aggarwal Securities Private Limited	Shares held by struck off company	NA	-	-
16	Lakhan Pal Brothers Private Limited	Shares held by struck off company	NA	-	-

NOTE 67 – DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTE 68 - COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

NOTE 69 - UNDISCLOSED INCOME:

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.

NOTE 70 - VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSET:

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

NOTE 71 - UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS:

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTE 72 - The Company nor its branches or subsidiaries which are companies incorporated in India, has advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of the branches or such subsidiaries (Ultimate Beneficiaries), or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company nor its branches or subsidiaries which are companies incorporated in India, has received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company or any of the branches or such subsidiaries:

(a) 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

(b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

NOTE 73 – Previous period figures have been regrouped / recasted / reclassified wherever necessary.

NOTE 74 – The Group has approved its financial statements in its board meeting dated May 07, 2024.

Signatures to Notes 1 to 74 which form an integral part of the consolidated financial statements.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 07, 2024

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

R. D. CHANDAK
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

FORM AOC - 1

Annexure pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

₹ in Crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover **	Profit/ (Loss) before Taxation **	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
1	SAE Towers Holdings LLC, USA*	INR	1,529.19	105.13	1,692.46	58.13	-	-	-	-	-	-	100%
		USD(000)	183,356.01	12,606.08	202,932.55	6,970.46	-	-	-	-	-	-	
2	SAE Towers Ltd, USA*	INR	16.69	(1.45)	19.03	3.79	-	301.28	(8.13)	(1.71)	(6.42)	-	100%
		USD(000)	2,001.00	(173.61)	2,281.75	454.35	-	36,360.00	(979.30)	(205.65)	(773.65)	-	
3	SAE Towers Brazil Subsidiary Company LLC, USA*	INR	-	0.00	0.00	-	-	-	-	-	-	-	100%
		USD(000)	-	0.00	0.00	-	-	-	-	-	-	-	
4	SAE Towers Mexico Subsidiary Holding Company LLC, USA*	INR	-	0.02	0.02	-	-	-	-	-	-	-	100%
		USD(000)	-	1.82	1.82	-	-	-	-	-	-	-	
5	SAE Towers Construcao Ltda, Brazil*	INR	-	-	-	-	-	-	-	-	-	-	100%
		USD(000)	-	-	-	-	-	-	-	-	-	-	
6	SAE Towers Brasil Torres de Transmissao Ltda, Brazil*	INR	604.17	(505.21)	809.48	710.51	-	794.02	20.11	6.51	13.60	-	100%
		USD(000)	72,442.68	(60,576.42)	97,059.79	85,193.53	-	95,826.67	2,421.38	784.17	1,637.20	-	
7	SAE Towers Mexico S de RL de CV, Mexico*	INR	184.14	(21.82)	438.74	276.43	-	650.79	46.96	16.40	30.56	-	100%
		USD(000)	22,078.75	(2,616.86)	52,607.04	33,145.15	-	78,540.63	5,655.08	1,975.37	3,679.72	-	
8	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico*	INR	-	18.04	22.11	4.07	-	-	-	-	-	-	100%
		USD(000)	-	2,162.63	2,650.64	488.01	-	-	-	-	-	-	
9	KEC Engineering & Construction Services S de RL de CV, Mexico*	INR	-	(3.33)	(3.29)	0.04	-	-	-	-	-	-	100%
		USD(000)	-	(398.78)	(393.92)	4.86	-	-	-	-	-	-	
10	KEC Investment Holdings, Mauritius	INR	954.64	34.77	989.47	0.05	-	-	(0.17)	-	(0.17)	-	100%
		USD(000)	114,465.63	4,169.65	118,641.21	5.93	-	-	(20.15)	-	(20.15)	-	
11	KEC Global Mauritius, Mauritius	INR	-	0.00	(0.00)	(0.00)	-	-	(0.32)	-	(0.32)	-	100%
		USD(000)	-	-	-	-	-	-	(2.50)	-	(2.50)	-	
12	KEC International (Malaysia) SDN.BHD, Malaysia	INR	1.73	37.33	124.93	85.87	-	120.84	11.68	2.78	8.90	-	100%
		MYR(000)	1,021.74	21,098.87	102,356.38	80,235.76	-	70,048.72	8,445.03	1,540.20	6,904.84	-	
13	RPG Transmission Nigeria Limited, Nigeria	INR	0.21	(0.15)	0.06	0.00	-	-	(0.00)	-	(0.00)	-	100%
		Naira(000)	10,000.00	(260.39)	9,739.61	-	-	-	(50.00)	-	(50.00)	-	

₹ in Crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover **	Profit/ (Loss) before Taxation **	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
14	Al-Sharif Group and KEC Ltd. Co, Saudi Arabia (Refer Note 3)	INR	3.65	405.81	1,196.02	786.56	-	1,456.06	169.86	22.76	147.10	-	51.10%
		SAR(000)	3,000.00	265,247.12	859,524.99	591,277.87	-	941,315.64	111,740.85	14,704.36	97,036.49	-	
15	KEC Towers LLC, Dubai, UAE	INR	126.04	125.24	621.95	370.67	-	588.83	65.63	-	65.63	-	100%
		AED(000)	63,173.50	47,704.4	274,174.04	163,296.18	-	261,166.01	28,122.40		28,122.40		
16	KEC EPC LLC, Dubai, UAE (Refer Note 1)	INR	0.62	87.65	437.27	349.01	-	770.17	53.60	-	53.60	-	100%
		AED(000)	300.00	38,469.51	251,150.71	212,381.20		341,248.81	24,218.43	-	24,218.43	-	
17	KEC Power India Private Limited, India	INR	0.22	0.17	0.40	0.01	-	-	0.02	0.01	0.01	-	100%
18	KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastrucutre Private Limited) (Refer Note 2)	INR	0.30	125.68	629.54	503.56	-	624.12	52.60	13.57	39.03	-	100%

The figures reported above are without considering elimination

Exchange rates as at year end considered for conversion:

1 USD = ₹ 83.40

1 AED = ₹ 22.694

1 NAIRA = ₹ 0.0588

1 SAR = ₹ 22.221

1 MYR = ₹ 17.633

** Based on the information considered in the audited consolidated financial statements of SAE Towers Holdings, LLC*

*** Average exchange rates for the year considered for conversion (actual entry rate during the year)*

Footnotes:

1 *KEC EPC LLC, Step down Subsidiary, was incorporated on October 06, 2021.*

2 *The Company on Octobter 13, 2021 acquired 100% equity shares of KEC Spur Infrastructure Private Limited thereby making it a wholly owned subsidiary of the Company.*

3 *KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Ltd. Co.', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which holds 48.90% in Al Sharif JV. Al Sharif JV is "Subsidiary" of the Company under the Companies Act, 2013. In terms of Indian Accounting Standard (Ind AS- 111) the financials of Al Sharif JV continues to be forming part of standalone accounts due to Joint Operation Control between the shareholders.*

4 *The liquidation process of KEC Global Mauritius has been completed and the said entity has been dissolved effective September 24, 2023.*

5 *There are no Subsidiaries which have been incorporated or sold during the year.*

PART “B” : ASSOCIATES AND JOINT VENTURES

₹ in Crore

Name of Associates / joint ventures		RP Goenka Group of Companies Employees Welfare Association
1.	Latest audited balance sheet date	31/03/2024
2.	Shares of Associate / joint ventures held by the company on the year end	
	No.	-
	Amount of Investment in Associates / joint ventures	-
	Extend of Holding %	49
3.	Description of how there is significant influence	By virtue of shareholding
4.	Reason why the associate / joint ventures is not consolidated	Refer foot note no-1
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
6.	Profit / Loss for the year	-
	i. Considered in Consolidation	No
	ii. Not considered in Consolidation	-

The figures reported above are without considering elimination

Footnotes:

1. *As there are significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends, the carrying value of the Group’s interest in the Associate are not considered in the consolidated financial statements.*
2. *There are no associates or joint ventures which have been incorporated, liquidated or sold during the year.*

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

R. D. CHANDAK
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

Independent Auditor's Report

To the Members of KEC International Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of KEC International Limited (hereinafter referred to as the "Parent Company") which includes the Returns of Parent Company's 40 branches at Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Burkina Faso, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Lebanon, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia, financial statements / financial information of 31 jointly controlled operations consolidated on a proportionate basis and its 18 subsidiaries (Parent Company, branches, jointly controlled operations and its subsidiaries together referred to as "the Group") (refer Notes 3.3 and 51 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement 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").

2. 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 audited financial statements / financial information of branches, jointly controlled operations and subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the 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, as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India 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 we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 18 and 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER PARAGRAPH

4. We draw attention to Note 66(a) of the consolidated financial statements, regarding the Parent Company's net exposure of ₹ 252 crores (including exposure of ₹ 79.20 crores in the Afghanistan branch) after netting off advances, liabilities (including contract liabilities) and proposed settlement with a funding agency from its transmission line projects in Afghanistan as at March 31, 2023, which are currently on hold due to Force Majeure event. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Our opinion is not modified in respect of this matter.

5. Audit report on the Financial Statements of the Afghanistan branch issued by an independent firm of chartered accountants vide its report dated April 26, 2023 include an emphasis of matter paragraph which is reproduced by us as under:

   We draw attention to Note xviii of the Financial Statements, regarding Afghanistan Branch net exposure of USD 90,87,881 (equivalent to INR. 79.20 crores) to its transmission line Projects as at March, 2023, which are currently on hold due to Force Majeure event. Timeline of the recovery of said exposure is dependent upon the geopolitical environment in Afghanistan and negotiation with international funding agencies. Further, the bank guarantees issued in respect of these ongoing projects are also currently not enforceable due to the force majeure event. Our Conclusion is not modified in respect of this matter."

   Note xviii as described above is reproduced as Note 66(b) to the consolidated financial statements for the year ended March 31, 2023

   Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

6. 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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Estimation of contract cost and revenue recognition

(Refer notes 38 and 51 to the standalone financial statements)

Contract revenue amounting to ₹ 13,813.01 crores for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed / subject to price variance clauses.

The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

This method requires the Company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period to determine the appropriate percentage of completion.

We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has a consequential impact on revenue recognition.</td><td>Our procedures over the recognition of construction revenue included the following:

• Understood and evaluated the design and tested operating effectiveness of key internal financial controls, including those related to contracted revenue and review and approval of estimated project cost by the authorised representatives.

• For sample of 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 of contracts, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, 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.

• Assessed the adequacy of presentation and related disclosures in the standalone financial statements.

Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.</td></tr>
</table>

Notes 38 and 51 as described above are included in Notes 39 and 52 respectively to the consolidated financial statements.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Recoverability of Trade Receivables

(Refer to Notes 10 and 15 to the standalone financial statement)

Trade receivables amounting to ₹ 6,962.91 crores (including retention receivables) is a significant balance in the Company's standalone financial statements as at March 31, 2023 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment.

The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, ongoing litigations and disputes, if any, existing market conditions and forward looking estimates, with the customer.</td><td>Our procedures towards recoverability of trade receivables involved the following:

• Understood and evaluated the accounting policy of the Company.

• Evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss.

• Inquired with senior management regarding status of collectability of the receivables.

• Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, project status, past history, ongoing litigations and disputes, if any, existing market conditions and forward looking estimates, with the customer.</td></tr>
<tr><td>Given the relative significance of these receivables to the standalone financial statements and judgement involved as well as the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.</td><td>Based on the procedures performed above, no significant deviations were observed in respect of management's assessment of recoverability of trade receivables.</td></tr>
</table>

Notes 10 and 15 as described above are included in Notes 11 and 17 respectively to the consolidated financial statements.

7. The following Key Audit Matters were included in the audit report dated April 17, 2023, issued by an independent firm, containing an unmodified audit opinion on the standalone financial statements of Sri Lanka, a branch of the Parent Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How the other auditor addressed the key audit matter
Estimation of Contract Cost and Consequential Revenue Recognition : We considered that estimation of construction contract cost is a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition.	For sample of contracts, we obtained the percentage of completion calculations, and we noticed that the manner of estimation of contract cost to be reasonable.

8. The following Key Audit Matters were included in the audit report dated May 02, 2023, issued by an independent firm, containing an unmodified audit opinion on the consolidated financial statements of SAE Tower Holdings, LLC (SAE), a step down subsidiary of the Parent Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How the other auditor addressed the key audit matter
Valuation of accounts receivable (Refer note 39, Financial risk management objectives and policies and Note 8, Trade receivables to the special purpose consolidated financial information of SAE Tower Holdings LLC) The Group's trade receivables amount to INR 272.24 crores as at 31 March 2023. The Group has significant overdues from various customers/ parties for which expected credit loss provision is measured by the management based on past trends using practical expedients as prescribed by Ind AS 109: Financial Instruments. This involves significant management estimates and judgements. The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtor with reference to ageing profile, historical pattern and the past record of default of the customer. The Group makes an assessment of the credit losses basis past history and latest discussion/correspondence with the customer. Given the relative significance of these receivables to the special purpose consolidated financial information and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	Our audit incorporated the following procedures with regards to provisioning towards doubtful receivables; • Evaluated the design, implementation and operating effectiveness of the Group's key internal controls over the process of collection of trade receivables; follow up of overdue balances; assessing provisions towards receivables and controls relating to litigations. • Reviewed the Group's credit policy outlining the authority for approving and responsibility to manage credit limits. • Tested the expected credit loss model for appropriateness of past data and provisioning matrix used and reasons for other long outstanding balances which were not provided for were also obtained from the management. • Obtained an understanding of the basis of management's judgements about the recoverability of trade receivable balances and evaluated the allowance for doubtful debts made by management for these individual balances with reference to correspondence between the Group and the debtors, the recovery plan and corroborated the inputs with our understanding of the matter and externally available information. • Considered payments received subsequent to yearend, past payment history and unusual patterns to identify potentially impaired balances. • Obtained confirmation from attorney to ensure recoverability of the receivable amount in case of litigations. • Also, ensured that the appropriate disclosures in accordance with Ind AS 32, Financial Instruments: Presentation, have been made in the special purpose consolidated financial information.

Notes 39 and 8 as described above are included in Notes 55, 11 and 17 respectively to the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of Goodwill (Refer note 29 to the special purpose consolidated financial information of SAE Tower Holdings LLC) As at 31 March 2023, the Group's assets include goodwill aggregating to INR 242.05 crores. The Group has performed annual impairment test for the goodwill as per the applicable accounting standard, Ind AS 36, Impairment of Assets. The determination of the recoverable value requires management to make certain key estimates and assumptions including forecast of future cash flows, long-term growth rates, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill. Considering that goodwill balance is significant to the consolidated financial information and auditing management judgement and estimates as stated above involves high degree of subjectivity and requires significant auditor judgement, assessment of carrying value of goodwill is considered as a key audit matter for the current year audit.	Our procedures included, but were not limited to the following: • We obtained an understanding from the management through detailed discussions on its impairment assessment process, assumptions used and estimates made by management and tested the operating effectiveness of the controls implemented by management around this. • We obtained the impairment analysis carried out by the management and reviewed the valuation report prepared by management. • We involved auditor's experts to assess the appropriateness of the valuation model used by the management and reasonableness of assumptions used relating to discount rate, industry growth rate, etc. • We evaluated inputs used by the management with respect to revenue and cash flow forecasts, among others, for reasonableness thereof. • We have evaluated the sensitivity analysis performed by the management in respect of the key assumptions used such as discount and growth rates to ensure that there would be no major impact on the valuation. • We have evaluated the appropriateness and adequacy of disclosures made by the Group in the special purpose consolidated financial information in accordance with the applicable Indian accounting standards.

Note 29 as described above is included in Note 8 to the consolidated financial statements.

OTHER INFORMATION

9. The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our and other auditor's report thereon. The 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 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 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 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 appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

10. The Parent Company's Board of Directors is 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 financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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 Directors of the Parent Company, as aforesaid.

11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies included in the Group 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 the respective companies included in the Group or to cease operations, or has no realistic alternative but to do so.

12. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of those respective companies and the Board of Directors of the Parent Company is responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

13. 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.

14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Parent Company has adequate internal financial controls with reference to consolidated 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 management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 information of the entities or business activities within the Group 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.

15. We communicate with those charged with governance of the Parent Company, 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.

16. 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.

17. 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

18. We did not audit the financial statements/ financial information of 33 branches, 30 jointly controlled operations and 14 subsidiaries included in the consolidated financial statements of the Parent Company, which constitute total assets of ₹ 6,133 crores and net assets of ₹ 924 crores as at March 31, 2023, total revenue of ₹ 5,621 crores, net loss after tax of ₹ 327 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 245 crores and net cash inflows amounting to ₹ 102 crores for the year then ended. These financial statements/ financial information 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 branches, jointly controlled operations and subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid branches, jointly controlled operations and subsidiaries, is based solely on the report of such other auditors.

19. The financial statements/ financial information of 7 branches, 1 jointly controlled operation and 4 subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 1,451 crores and net assets of ₹ 121 crores as at March 31, 2023, total revenue of ₹ 1202 crores, total net profit after tax of ₹ 29 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 31 crores and net cash outflows amounting to ₹ 6 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's management has converted the financial statements/ financial information of such branches, jointly controlled operation and subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management. Our opinion in so far as it relates to the balances and affairs of such branches, jointly controlled operation and subsidiaries located outside India, including other information, is based on the report of such other auditors and the conversion adjustments prepared by the management of the Parent Company and audited by us. Material uncertainty related to going concern has been reported by two branches and one jointly controlled operation on account of loss incurred during the year by these branches and jointly controlled operation which are not material in relation to the operations of 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 the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

20. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

21. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Parent Company as on April 1, 2023 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Parent Company, its 40 branches and its 2 subsidiary companies which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) 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:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer note 58 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2023 – Refer note 37 to the consolidated financial statements in respect of such items as it relates to the Group.

iii. There has been no delays in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies incorporated in India during the year.

iv. (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries 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 by or on behalf of the Parent Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 77 to the consolidated financial statements).

(b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in aggregate) have been received by the Parent Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 77 to the consolidated financial statements).

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Parent Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

22. The Parent Company and its subsidiary companies which are incorporated in India has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255
UDIN: 23045255BGYVVN9303

Place: Mumbai
Date: May 03, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 21(f) of the Independent Auditor's Report of even date to the members of KEC International Limited on the consolidated financial statements as of and for the year ended March 31, 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of KEC International Limited (hereinafter referred to as "the Parent Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Parent Company which includes the internal financial controls over financial reporting of the Parent Company's 40 branches and its 2 subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Parent Company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Parent Company, its subsidiary companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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

3. Our responsibility is to express an opinion on the Parent Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Parent Company's internal financial controls system with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

6. A company's internal financial control with reference to consolidated 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 control with reference to consolidated financial statements includes 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 CONSOLIDATED FINANCIAL STATEMENTS

7. 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 control 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.

OPINION

8. In our opinion, the Parent Company including 40 branches and its 2 subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 40 branches and 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of the branches and of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255
UDIN: 23045255BGYVVN9303

Place: Mumbai
Date: May 03, 2023

Consolidated Balance Sheet

as on March 31, 2023

₹ in Crore

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	5	1,067.23	1,011.95
(b) Right-of-use assets	6	214.57	231.32
(c) Capital work-in-progress	7	11.45	2.46
(d) Goodwill	8	268.49	249.70
(e) Intangible assets	9	32.52	44.68
		1,594.26	**1,540.11**
(f) Financial assets			
(i) Investments	10	★	★
(ii) Trade receivables	11	359.30	467.69
(iii) Other financial assets	12	76.20	41.03
		435.50	**508.72**
(g) Deferred tax assets (net)	29	327.31	214.13
(h) Non-current tax assets (net)	13	268.03	179.43
(i) Other non-current assets	14	217.88	209.60
Total Non-Current Assets		**2,842.98**	**2,651.99**
(2) Current Assets			
(a) Inventories	15	1,137.16	1,066.48
(b) Financial assets			
(i) Investments	16	-	12.64
(ii) Trade receivables	17	6,896.06	5,106.10
(iii) Cash and cash equivalents	18	281.16	207.63
(iv) Bank balances other than (iii) above	19	63.00	54.31
(v) Other financial assets	20	164.61	113.74
		7,404.83	**5,494.42**
(c) Contract assets	21	6,241.18	6,092.09
(d) Current tax assets (net)	22	53.16	28.42
(e) Other current assets	23	989.24	1,008.37
Total Current Assets		**15,825.57**	**13,689.78**
Total Assets		**18,668.55**	**16,341.77**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	24	51.42	51.42
(b) Other equity	25	3,720.00	3,568.51
Total Equity		**3,771.42**	**3,619.93**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	26	493.16	393.26
(ii) Lease liabilities	27	163.17	167.44
		656.33	**560.70**
(b) Provisions	28	24.12	13.74
(c) Deferred tax liabilities (net)	29	7.21	43.80
(d) Other non-current liabilities	30	0.45	0.47
Total Non-Current Liabilities		**688.11**	**618.71**
(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	31	2,701.29	2,469.45
(ii) Lease liabilities	32	25.75	34.46
(iii) Trade payables	33		
- total outstanding dues of micro and small enterprises		171.98	154.83
- total outstanding dues other than micro and small enterprises		8,216.35	6,692.50
(iv) Other financial liabilities	34	54.17	41.60
		11,169.54	**9,392.84**
(b) Contract liabilities	35	2,620.30	2,410.87
(c) Other current liabilities	36	216.76	121.96
(d) Provisions	37	94.44	87.80
(e) Current tax liabilities (net)	38	107.98	89.66
Total Current Liabilities		**14,209.02**	**12,103.13**
Total Equity and Liabilities		**18,668.55**	**16,341.77**

★ *less than rounding off norms adopted by the company.*

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2023

For and on behalf of the Board of Directors

H.V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A.T. VASWANI
Audit Committee Chairman and Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Crore

	Particulars			Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations			39	17,281.71	13,742.26
II	Other income			40	31.32	13.43
III	Total Income (I+II)				**17,313.03**	**13,755.69**
IV	Expenses					
	(i)	Cost of materials consumed		41	6,969.83	6,090.81
	(ii)	Changes in inventories of finished goods and work-in-progress		42	98.77	(141.79)
	(iii)	Erection and sub-contracting expenses		43	6,552.24	4,509.15
	(iv)	Employee benefits expense		44	1,356.24	1,258.66
	(v)	Finance costs		45	538.59	316.00
	(vi)	Depreciation and amortisation expense		46	161.48	157.86
	(vii)	Other expenses		47	1,474.90	1,121.93
	Total expenses				**17,152.05**	**13,312.62**
V	Profit before exceptional items and tax (III-IV)				**160.98**	**443.07**
VI	Exceptional Items			48	-	43.64
VII	Profit after exceptional items and before tax (V - VI)				**160.98**	**399.43**
VIII	Tax expense :			49		
	(i)	Current tax			121.74	198.58
	(ii)	Deferred tax			(136.79)	(131.23)
					(15.05)	**67.35**
IX	Profit for the year (VII-VIII)				**176.03**	**332.08**
X	Other Comprehensive Income					
	A	Items that will not be reclassified to profit or loss				
		(i)	Remeasurement of defined benefit obligations	56	(0.75)	4.16
		(ii)	Income tax relating to these items	49.2	0.29	(0.97)
	B	Items that will be reclassified to profit or loss		25		
		(i)	Exchange differences on translation of financial statements of foreign operations.		83.39	29.86
		(ii)	Net gain/(losses) on cash flow hedges		(11.04)	(2.38)
		(iii)	Income tax relating to these items	49.2	5.89	0.30
		Total Other Comprehensive Income			**77.78**	**30.97**
XI	Total Comprehensive Income for the year (IX + X)				**253.81**	**363.05**
XII	Earnings per equity share (of ₹ 2 each)					
	(i)	Basic (in Rupees)		50	6.85	12.92
	(ii)	Diluted (in Rupees)			6.85	12.92

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2023

For and on behalf of the Board of Directors

H.V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A.T. VASWANI
Audit Committee Chairman and Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2023

Consolidated Statement of changes in equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in crore	Nos.	₹ in crore
Equity Shares Outstanding at the beginning of the year	**257,088,370**	**51.42**	**257,088,370**	**51.42**
Add: Changes in Equity Share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	257,088,370	51.42	257,088,370	51.42
Add: Shares issued during the year	-	-	-	-
Equity Shares Outstanding at the end of the year	**257,088,370**	**51.42**	**257,088,370**	**51.42**

B. OTHER EQUITY

₹ in Crore

Particulars	Reserve and Surplus							Other Comprehensive Income			Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	
Balance as at April 01, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Profit for the year	-	-	-	-	-	-	332.08	-	-	-	**332.08**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(1.78)	29.56	3.19	**30.97**
Total Comprehensive Income for the year	**-**		**-**	**-**	**-**	**-**	**332.08**	**(1.78)**	**29.56**	**3.19**	**363.05**
Transactions with owners in their capacity as owner											
Transfer to Statutory reserve	-	-	-	-	2.13	-	(2.13)	-	-	-	-
Dividends	-	-	-	-	-	-	(102.81)	-	-	-	**(102.81)**
Balance as at March 31, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.25**	**8.36**	**31.12**	**1.93**	**3,568.51**
Balance as at April 01, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.25**	**8.36**	**31.12**	**1.93**	**3,568.51**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.25**	**8.36**	**31.12**	**1.93**	**3,568.51**
Profit for the year	-	-	-	-	-	-	176.03	-	-	-	**176.03**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(8.23)	86.47	(0.46)	**77.78**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**176.03**	**(8.23)**	**86.47**	**(0.46)**	**253.81**
Transactions with owners in their capacity as owner	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Increase on account of capital reduction of a subsidiary	-	-	-	-	-	-	0.02	-	-	-	**0.02**
Reduction on account of closure of subsidiary	-	-	-	-	-	-	0.49	-	-	-	**0.49**
Transfer to Statutory reserve	-	-	-	-	1.36	-	(1.36)	-	-	-	**-**
Dividends	-	-	-	-	-	-	(102.83)	-	-	-	**(102.83)**
Balance as at March 31, 2023	**84.98**	**0.04**	**86.75**	**14.28**	**4.44**	**191.72**	**3,218.60**	**0.13**	**117.59**	**1.47**	**3,720.00**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2023

For and on behalf of the Board of Directors

H.V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A.T. VASWANI
Audit Committee Chairman and Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2023

Consolidated Cash Flow Statement

for the year ended March 31, 2023

₹ in Crore

Particulars		For the year ended March 31, 2023		For the year ended March 31, 2022	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	PROFIT FOR THE YEAR AFTER TAX		**176.03**		**332.08**
	Adjustments for:				
	Income tax expense	(15.05)		67.35	
	Depreciation and amortisation expense	161.48		157.86	
	Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets	(4.46)		(0.98)	
	Loss on property, plant and equipment discarded & intangible assets derecognised	0.95		0.67	
	Finance costs	538.59		316.00	
	Interest income	(23.20)		(10.56)	
	Bad debts, loans and advances written off/written back (net)	17.66		(10.68)	
	Exceptional items (Refer note 48)	-		43.64	
	Allowance for bad and doubtful debts, loans and advances (net)	32.80		28.24	
	Mark to market loss/(gain) on forward and commodity contracts	15.38		(12.36)	
	Net unrealised exchange (gain)/loss	(46.44)		16.59	
			677.71		**595.77**
			853.74		**927.85**
	Changes in assets and liabilities				
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(46.80)		(213.09)	
	Trade receivables	(1,602.52)		8.30	
	Other financial assets	(86.09)		39.22	
	Contract assets	(132.38)		(1,580.48)	
	Other current assets	27.65		(311.59)	
	Other non-current assets	(18.86)		113.91	
			(1,859.00)		**(1,943.73)**
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	1,515.27		692.48	
	Other current liabilities	88.14		0.58	
	Contract liabilities	220.87		308.94	
	Other financial liabilities	(4.76)		(4.90)	
	Provisions	14.01		21.37	
			1,833.53		**1,018.47**
	CASH GENERATED FROM OPERATIONS		**828.27**		**2.59**
	Taxes paid (net of refunds)		(221.54)		(286.30)
	NET CASH FLOW GENERATED FROM (USED IN) OPERATING ACTIVITIES (A)		**606.73**		**(283.71)**
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)	(178.29)		(143.14)	
	Acquisition of subsidiary	-		(56.93)	
	Proceeds from sale of property, plant and equipment	15.72		1.46	
	Proceeds/(purchase) of short-term investments (net)	12.64		(11.58)	
	Interest received	23.42		10.58	
	Bank balances not considered as Cash and cash equivalents (net)	(8.69)		(5.08)	
			(135.20)		**(204.69)**
	NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(135.20)**		**(204.69)**

Consolidated Cash Flow Statement

for the year ended March 31, 2023

₹ in Crore

Particulars		For the year ended March 31, 2023		For the year ended March 31, 2022	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from other than short-term borrowings	381.51		172.55	
	Repayments of other than short-term borrowings	(66.97)		(15.81)	
	Repayment of lease liabilities	(30.09)		(27.15)	
	Net increase / (decrease) in short-term borrowings	(47.98)		741.28	
	Finance costs paid	(534.43)		(272.48)	
	Dividend paid	(102.85)		(102.53)	
			(400.81)		**495.86**
	NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES (C)		**(400.81)**		**495.86**
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**70.72**		**7.46**
	Cash and cash equivalents at the beginning of the year (Refer note 18)		207.63		199.79
	Add: Cash and cash equivalents taken over on acquisition of subsidiary		-		12.71
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		2.81		(12.33)
	Cash and cash equivalents at the end of the year (Refer note 16)		**281.16**		**207.63**
	Supplemental Information				
	Non Cash Transactions from Investing and Financing Activities:				
	Acquisition of Right-of-Use assets		0.21		78.71

Reconciliation of liabilities arising from financing activities:

Particulars	As at March 31, 2022	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest movement during the year	As at March 31, 2023
Long term borrowings (including current maturity and accrued interest)	467.34	314.54	-	5.34	1.43	**788.65**
Short term borrowings	2,407.59	(47.98)	-	59.84	7.75	**2,427.20**
Lease liabilities	201.90	(30.09)	(5.46)	12.31	10.26	**188.92**
Total liabilities from financing activities	**3,076.83**	**236.47**	**(5.46)**	**77.49**	**19.44**	**3,404.77**

Particulars	As at March 31, 2021	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest movement during the year	As at March 31, 2022
Long term borrowings (including current maturity and accrued interest)	301.47	156.74	-	8.45	0.68	**467.34**
Short term borrowings (incuding borrowings taken over on acquisition of subsidiary)	1,627.03	754.85	-	17.39	8.32	**2,407.59**
Lease liabilities	140.41	(27.15)	77.55	4.31	6.78	**201.90**
Total liabilities from financing activities	**2,068.91**	**884.44**	**77.55**	**30.15**	**15.78**	**3,076.83**

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2023

For and on behalf of the Board of Directors

H.V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A.T. VASWANI
Audit Committee Chairman and Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2023

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

1. GENERAL INFORMATION

KEC International Limited ("the Company") is a public limited company incorporated and domiciled in India. The registered office of the Company is located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

The Company including its branches, jointly controlled operations and its subsidiaries (as detailed in note 3.3) is herein after together referred to as the 'Group'.

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses.

The Company's manufacturing footprint extends across three countries in addition to India. The Company has several international branch offices enabling diversified global footprint.

2. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

New standards adopted by the Group:

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 01, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets under defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets', or net present value of lease payments in Ind AS 116 'Leases', as applicable.

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.

Above levels of fair values are applied consistently and generally, there are no transfers between the levels of fair value hierarchy unless the circumstances change warranting such transfer.

The principal accounting policies are set out below.

Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. supply or construction contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash

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forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

equivalent exceeds one year. Accordingly, for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle, except for amounts with respect to legal cases or long pending disputes.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:-

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company looses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component's other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the transferred asset.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

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The following subsidiaries have been considered in preparation of the consolidated financial statements:

	Country of Incorporation	% of ownership interest either directly or through subsidiaries As at March 31, 2023	As at March 31, 2022
Direct Subsidiaries			
RPG Transmission Nigeria Limited	Nigeria	100	100
KEC Global FZ–LLC–Ras UL Khaimah (closed on March 08, 2023)	UAE	100	100
KEC Towers LLC	UAE	100	100
KEC Investment Holdings, Mauritius	Mauritius	100	100
KEC Global Mauritius	Mauritius	100	100
KEC International (Malaysia) SDN BHD	Malaysia	100	100
KEC Power India Private Limited	India	100	100
KEC Spur Infrastructure Private Limited	India	100	100
Indirect Subsidiaries			
SAE Towers Holdings LLC	USA	100	100
SAE Towers Brazil Subsidiary Company LLC	USA	100	100
SAE Towers Mexico Subsidiary Holding Company LLC	USA	100	100
SAE Towers Mexico S de RL de CV	Mexico	100	100
SAE Towers Brazil Torres de Transmission Ltda	Brazil	100	100
SAE Prestadora de Servicios Mexico, S de RL de CV	Mexico	100	100
SAE Towers Ltd	USA	100	100
SAE Towers Construcao Ltda (formerly known as SAE Engenharia E Construcao Ltda)	Brazil	100	100
KEC Engineering & Construction Services, S de RL de CV	Mexico	100	100
KEC EPC LLC (w.e.f. October 6, 2021)	UAE	100	100

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, the equity interests issued by the Group in exchange of control of the acquiree and fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are generally recognised in the Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.4 above) less accumulated impairment losses, if any. Goodwill is not amortised but it is tested for impairment.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Interests in Jointly Controlled Operations

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement 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 jointly controlled operations, the Group as a joint operator recognises in relation to its interest in a jointly controlled operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the jointly controlled operation; and
4. its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

When a group entity transacts with a jointly controlled operation in which a group entity 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 consolidated financial statements only to the extent of other parties' interests in the jointly controlled operation.

When a group entity transacts with a jointly controlled operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.7 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification... They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale and are presented separately from the other assets in the balance sheet. The liabilities related to the assets held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the statement of profit or loss.

3.8 Revenue recognition

The Group derives revenue principally from following streams:

- Sale of products (towers and cables)
- Sale of services
- Construction contracts
- Other Operating Revenue

3.8.1 Sale of products:

Revenue from sale of products is recognised upon satisfaction of performance obligations i.e.

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'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract.

In determining the transaction price for sale of product, the Group considers the effects of variable consideration, if any. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

3.8.2 Sale of services:

Services rendered include tower testing and designing, operating and maintenance and other services.

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

3.8.3 Construction contracts:

The Group recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

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 complex, subject to many variables and requires significant judgement. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. 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. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the balance sheet.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3.8.4 Other Operating Revenue:

Export benefits under Mercantile Export from India Scheme (MEIS), Service Export from India Scheme (SEIS), Duty Drawback benefits and Remission of Duties and Taxes on Export Products Scheme (RoDTEP) are accounted as revenue on accrual basis as and when export of goods take place, where there is a reasonable assurance that the benefit will be received and the Group will comply with all the attached conditions.

3.8.5 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate for and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

3.9 Leasing

As a lessee:

The Group assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payments that vary to reflect changes in market rental rates, if any
- Amounts expected to be payable by the Group under residual value guarantees, if any
- Exercise price of the purchase option, if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using Group's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Amendment to Ind AS 116 'Leases' w.r.t "Covid-19-Related Rent Concessions" provides lessees with an option to treat qualifying rent

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concessions in the same way as they would if they were not lease modifications. The Group has applied the practical expedient for all qualifying rent concessions and these concessions have been accounted as variable lease payments in the statement of profit and loss in the period in which they are granted.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

As a practical expeient, the Group has recognised payments associated with short-term leases and leases of low-value assets on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Group is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

3.10 Foreign currency transactions

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (functional currency). For each branch, jointly controlled operation and a subsidiary situated outside India, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency of that respective branch, jointly controlled operation and subsidiary. The functional and presentation currency of the Group is Indian Rupees (INR). The financial statements are presented in Indian rupees (INR).

3.10.1 Accounting for transactions and balances in foreign currencies

Foreign currency transactions are recorded in the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency at the year end exchange rate are generally recognised in profit or loss.

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.

In case of consideration paid or received in advance for foreign currency denominated contracts, the related expense or income is recognised using the rate on the date of transaction on initial recognition of a related asset or liability.

Exchange differences on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.24 below for hedging accounting policies);
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items

3.10.2 Translation of foreign operations whose functional currency is other than presentation currency:

1. Assets and liabilities, both monetary and non- monetary are translated at the rates prevailing at the end of each reporting period and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

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2. Income and expense items are translated at the exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

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 Group is reclassified in the consolidated statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.11 Borrowing costs

Borrowing costs 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. The Group considers a period of twelve months or more as a substantial period of time.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Finance expenses are recognised immediately in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs.

All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

3.12 Employee benefits

3.12.1 Long Term Employee Benefits :

(a) Defined Contribution Plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund and provident fund are recognised as expense when employees have rendered service entitling them to the contributions. The Group has no further payment obligation once the contribution have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

(b) Defined Benefit Plans:

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary. The Company's contribution to the provident fund for all employees are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

The defined benefit plan of the Company, its subsidiaries and its jointly controlled operations at India i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation of an amount equivalent to 15 days salary for completed years of service and on death while in employment an amount equivalent to 15 days salary for anticipated years of service in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

In case of jointly controlled operation at Al-Sharif Group and KEC Ltd Company and Saudi Arabia (Al Sharif JV), the defined

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benefit plan i.e. End Service Benefit (ESB), provides for lump sum payment to vested employees on resignation/ termination or retirement on an amount equivalent to 15 days salary upto 5 years and one month salary from 6th year onwards for each completed year of service or part thereof on proportionate basis according to the law applicable in Saudi. Vesting occurs upon completion of two years of service.

In case of subsidiary at Malaysia, the defined benefit plan i.e. Gratuity Plan, provides for lump sum payment to vested employees on resignation/ termination or retirement and on death while in employment, an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months in terms of gratuity scheme provided by the subsidiary company or as per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

The defined benefit plan of subsidiary at Dubai i.e. gratuity plan, provides for lump sum payment to vested employees on separation (including death), an amount equivalent to 1.75 days for each month for first 60 months and beyond 60 months, 2.5 days per month, for each completed years of service and on voluntary termination, proportionate amount based on number of years of service in terms of Gratuity scheme of the subsidiary at Dubai or as per payment of the Gratuity Act of Dubai, whichever is higher. Vesting occurs upon completion of one year of service. However, on death of an employee, there is no minimum service requirement.

In case of subsidiary at US, it has a post employment scheme for pension, which is unfunded.

The liability recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligations are determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of a plan amendment

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurements, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Consolidated Statement of Profit and Loss.

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(c) **Compensated absences:**

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 therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3.12.2 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.

3.13 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

3.13.1 Current tax

The Group'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 Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

3.13.2 Deferred tax

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. 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled operations, except where it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

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Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, 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 difference can be utilised.

Deferred tax assets and liabilities are offset when there is a 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 entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and credits only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3.13.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.14 Property, plant and equipment

Property, plant and equipment (except freehold land) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation commences when the assets are ready for their intended use. Depreciation on Property, Plant and Equipment has been provided on the straight-line method over their estimated useful life, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these Property, Plant and Equipment is mentioned below:

Particulars	Estimated useful life (in years)
Buildings (including roads and temporary structures)	3-60
Plant and Equipment/ Office Equipment	5-25
Erection tools	3-5
Furniture and Fixtures	10
Vehicles	6-8
Computers	3-6

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the

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carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed. Capital work-in-progress also includes spares which are yet to be put to use.

3.15 Intangible assets

3.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.15.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

3.15.3 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

3.15.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

3.15.5 Useful lives of intangible assets

Brand in respect of the power transmission business acquired under the High Court approved Composite Scheme of Arrangement in an earlier year is amortised by the Company in terms of the said Scheme over its useful life, which based on an expert opinion is estimated to be of 20 years. Non-compete fees paid on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non-compete agreement i.e. 3 years. Customer Contracts obtained on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on a estimated useful life of 2.5 years.

Computer Software are amortised on straight line basis over the estimated useful life ranging between 4-6 years.

3.16 Impairment of Non-current assets (excluding Goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its Property, plant and equipment, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. For the purpose of assessing

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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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), other than goodwill 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 Consolidated Statement of Profit and Loss.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

3.17 Investment

The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. (Refer 3.21)

3.18 Inventories

Inventories (raw material, work-in-progress, finished goods, stores and spares) are stated at the 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.

3.19 Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the management's 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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised, measured and disclosed as provisions in consolidated financial statements. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranty Provision: Provisions for warranty related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets: A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly

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within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

3.20 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets except trade receivables 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 Consolidated Statement of Profit and Loss.

Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3.21 Classification and Measurement Financial Assets

3.21.1 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.

Effective interest method

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as FVTPL or FVOCI. Interest income is recognised in the Consolidated Statement of Profit and Loss.

3.21.2 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 Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

3.21.3 Dividend income is recognised when the right to receive payment has been established.

3.21.4 Impairment of financial assets

The Group recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for 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. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

3.21.5 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 asset. The Group continues to recognise the asset 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 recognised in other comprehensive income and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

3.22 Classification and Measurement Financial liabilities and equity instruments

3.22.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or

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as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.22.2 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 the Group are recognised at the proceeds received, net of direct issue costs.

3.22.3 Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

3.22.3.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

3.22.3.2 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 the Group entity are initially measured at their fair value 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, 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, 'Revenue from Contract with Customers'.

3.22.3.3 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 with a new 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 the Consolidated Statement of Profit and Loss.

3.23 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks, including foreign exchange forward contracts, and commodity contracts-Over the Counter (OTC) derivatives. Derivatives are only used for economic hedging purposes and not as a speculative investment.

Derivatives 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 Consolidated 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 Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.24 Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk and commodity price risk as cash flow hedges. Hedges of foreign exchange risk and commodity price risk for highly probable forecast transactions are accounted for as cash flow hedges. Hedges of the fair value of recognised assets or liabilities are accounted for as fair value hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging

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instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

3.24.1 Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. For cash flow hedging relationships that span multiple reporting periods, the ineffectiveness for the period is calculated as the difference between the cumulative ineffectiveness as at reporting date (based on the 'lesser of' the cumulative change in the fair value of the hedging instrument and the hedged item), and the cumulative ineffectiveness reported in prior periods.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects the Consolidated Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Consolidated Statement of Profit and Loss.

Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss through cost of material consumed.

3.25 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 financial institutions, other short term highly liquid investments 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.

3.26 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3.27 Exceptional items:

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 consolidated financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

3.28 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

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4. CRITICAL ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 3, the Management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the consolidated financial statements.

4.1 Classification of Joint Arrangement as a Jointly Controlled Operation

In terms of Ind AS 111, 'Joint Arrangement' the Company has classified its joint arrangements as jointly controlled operations in the Standalone Financial Statements of the Company as the contractual arrangements between the parties specify that parties have rights to the assets, and obligations for the liabilities, relating to the arrangement (Refer note 51 for the list of joint arrangements).

4.2 Revenue recognition for construction contracts

Refer note 3.8.3 and note 52.

4.3 Income Taxes

In preparing the consolidated financial statements, the Group recognises income taxes in each of the jurisdictions in which it operates. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Group determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4.4 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.5 Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

4.6 Fair value measurements

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

Particulars	Freehold Land	Buildings	Plant and Equipment	Erection Tools	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount									
As at April 01, 2021	**138.99**	**366.24**	**844.41**	**167.96**	**28.77**	**55.56**	**13.46**	**46.34**	**1,661.73**
Acquisition	-	-	7.91	-	0.21	0.51	0.17	0.11	**8.91**
Additions	-	24.40	61.06	44.41	1.38	7.45	1.49	7.20	**147.39**
Disposal	-	0.05	3.14	4.35	0.11	0.63	0.18	0.51	**8.97**
Adjustments	4.35	10.31	20.47	0.79	0.87	0.73	0.07	0.98	**38.57**
As at March 31, 2022	**143.34**	**400.90**	**930.71**	**208.81**	**31.12**	**63.62**	**15.01**	**54.12**	**1,847.63**
Additions	-	22.12	57.27	71.90	0.23	2.09	1.66	6.78	**162.05**
Disposal	-	1.50	25.62	13.29	4.01	4.41	1.82	6.75	**57.40**
Adjustments	5.80	16.39	13.08	(0.10)	(0.46)	1.15	(0.24)	0.55	**36.17**
As at March 31, 2023	**149.14**	**437.91**	**975.44**	**267.32**	**26.88**	**62.45**	**14.61**	**54.70**	**1,988.45**
Accumulated depreciation:									
As at April 01, 2021	**-**	**106.03**	**414.21**	**90.85**	**18.93**	**44.06**	**10.42**	**35.85**	720.35
Depreciation expense (Refer note 46)	-	16.26	51.44	27.32	2.13	3.06	1.01	4.65	**105.87**
Disposal	-	0.05	2.22	4.32	0.07	0.52	0.16	0.42	**7.76**
Adjustments	-	2.12	12.12	0.80	0.47	0.72	0.07	0.92	**17.21**
As at March 31, 2022	**-**	**124.36**	**475.55**	**114.65**	**21.46**	**47.32**	**11.34**	**41.00**	**835.68**
Depreciation Expenses (Refer note 46)	-	18.73	52.24	38.81	1.98	3.41	1.14	5.49	**121.80**
Disposal	-	1.47	16.11	13.23	3.90	4.24	1.79	6.07	**46.81**
Adjustments	-	4.65	5.00	(0.15)	(0.47)	1.12	(0.24)	0.64	**10.55**
As at March 31, 2023	**-**	**146.27**	**516.68**	**140.08**	**19.07**	**47.61**	**10.45**	**41.06**	**921.22**
Net carrying amount									
As at March 31, 2022	**143.34**	**276.54**	**455.16**	**94.16**	**9.66**	**16.30**	**3.67**	**13.12**	**1,011.95**
As at March 31, 2023	**149.14**	**291.64**	**458.76**	**127.24**	**7.81**	**14.84**	**4.16**	**13.64**	**1,067.23**

Note 5.1

For details of Property, plant and equipment having gross carrying amount aggregating ₹ 560.20 crore (As at March 31, 2022 ₹ 486.70 crore), which are pledged as security for borrowings - Refer notes 26 and 31.

Note 5.2

During the previous year, the Group has reclassified Leasehold Land amounting to ₹ 38.07 crore as on March 31, 2021 (Net Block) from "Property, plant and equipment" to "Right-of-use assets" , the said disclosure being more relevant to the users of financial statements. This change doesn't result in any impact on total non current assets and total assets.

Note 5.3

Adjustments represents foreign currency exchange translation adjustment on account of a branch, jointly controlled operations and foreign subsidiaries which have a different functional currency.

Note 5.4

Refer note 58 (ii) for disclosure of contractual commitments for acquisition of property, plant and equipment.

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 6 - RIGHT-OF-USE ASSETS (REFER NOTE 53)

₹ in Crore

Description	Buildings	Land (Refer note 5.2)	Plant & Machinery	Vehicles	Total
Gross Carrying Amount					
As at April 01, 2021	**99.86**	**128.44**	**4.01**	**1.34**	**233.65**
Additions	31.73	46.98	-	-	**78.71**
Disposal	4.56	-	1.03	0.52	**6.11**
Adjustments (Refer note 6.1)	2.51	2.95	0.03	-	**5.49**
As at March 31, 2022	**129.54**	**178.37**	**3.01**	**0.82**	**311.74**
Additions	0.21	-	-	-	**0.21**
Disposal	10.59	0.53	-	0.13	**11.25**
Adjustments (Refer note 6.1)	5.67	9.74	0.06	-	**15.47**
As at March 31, 2023	**124.83**	**187.58**	**3.07**	**0.69**	**316.17**
Accumulated Depreciation					
As at April 01, 2021	**38.29**	**18.48**	**1.77**	**0.71**	**59.25**
Depreciation expense (Refer note 46)	16.13	7.47	1.15	0.31	**25.06**
Disposal	4.32	-	0.49	0.26	**5.07**
Adjustments (Refer note 6.1)	0.72	0.44	0.02	-	**1.18**
As at March 31, 2022	**50.82**	**26.39**	**2.45**	**0.76**	**80.42**
Depreciation expense (Refer note 46)	14.13	8.83	0.46	0.07	**23.49**
Disposal	5.10	0.54	-	0.14	**5.78**
Adjustments (Refer note 6.1)	1.99	1.44	0.04	-	**3.47**
As at March 31, 2023	**61.84**	**36.12**	**2.95**	**0.69**	**101.60**
Net carrying amount					
As at March 31, 2022	**78.72**	**151.98**	**0.56**	**0.06**	**231.32**
As at March 31, 2023	**62.99**	**151.46**	**0.12**	**-**	**214.57**

Note 6.1

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.

NOTE 7 - CAPITAL WORK IN PROGRESS (CWIP):

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	**2.46**	**17.90**
Addition during the year*	174.72	137.15
Capitalisation during the year*	(165.79)	(152.59)
Effect of translation adjustment (gain)/loss	0.06	-
Closing Balance	**11.45**	**2.46**

** including intangible assets*

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

Note 7.1 CWIP ageing schedule as at March 31, 2023

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	9.38	1.12	0.95	-	**11.45**
Projects temporarily suspended	-	-	-	-	**-**

CWIP ageing schedule as at March 31, 2022

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.51	0.95	-	-	**2.46**
Projects temporarily suspended	-	-	-	-	**-**

Note 7.2 Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

₹ in Crore

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects temporarily suspended			Nil		
			Nil		

NOTE 8 - GOODWILL

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	249.70	215.36
Add :- Goodwill recognised on acquisition of KEC Spur Infrastructure Private Limited* (Refer Note 60)	-	26.44
Effect of foreign currency exchange difference recognised in other comprehensive income (OCI)	18.79	7.90
Balance at the end of year	**268.49**	**249.70**

The Aggregate carrying amount of goodwill of each unit is as follows :

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
SAE Tower Holdings LLC and its subsidiaries (SAE)	268.49	223.26
"KEC Spur Infrastructure Private Limited (Spur)* (Refer Note 60)"	-	26.44
	268.49	**249.70**

** formerly known as Spur Infrastructure Private Limited*

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount whenever there is any indication of impairment.

For the purpose of impairment testing, SAE's entire business is considered as one Cash Generating Unit.

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

The recoverable amount of this Cash Generating Unit is based on value in use. The value in use is determined based on discounted cash flow projections. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of value in use are set out below :

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	11.59% to 13.43%	10.04%
Terminal value growth rate	3.00%	3.50%
Period considered for discounting	5 years	5 years

The cash flow projections include specific estimates for five years and terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the EBITDA margins at SAE level.

Based on the above, no impairment was identified as of March 31, 2023, as the recoverable amount of the CGU exceeded the carrying value.

NOTE 9 - INTANGIBLE ASSETS

₹ in Crore

Particulars	Brands (Refer note 9.1)	Computer softwares	Non Compete Fees (Refer note 9.3)	Customer Contracts (Refer note 61)	Total
Gross carrying amount					
As at April 01, 2021	**246.95**	**88.33**	**-**	**-**	**335.28**
Acquisition	0.00	-	-	-	**0.00**
Additions	-	0.19	0.58	4.44	**5.21**
Disposal	6.95	0.60	-	-	**7.55**
Adjustments (Refer 9.2)	-	0.95	-	-	**0.95**
As at March 31, 2022	**240.00**	**88.87**	**0.58**	**4.44**	**333.89**
Additions	-	3.74	-	-	**3.74**
Disposal	-	0.02	-	-	**0.02**
Adjustments (Refer 9.2)	-	0.72	-	-	**0.72**
As at March 31, 2023	**240.00**	**93.31**	**0.58**	**4.44**	**338.33**
Accumulated amortisation					
As at April 01, 2021	**198.96**	**69.95**	**-**	**-**	**268.91**
Amortisation expense (Refer note 46)	12.00	13.95	0.10	0.89	**26.94**
Disposal	6.95	0.59	-	-	**7.54**
Adjustments (Refer 9.2)	-	0.91	-	-	**0.91**
As at March 31, 2022	**204.01**	**84.22**	**0.10**	**0.89**	**289.22**
Amortisation expense (Refer note 46)	12.00	2.22	0.19	1.78	**16.19**
Disposal	-	0.01	-	-	**0.01**
Adjustments (Refer 9.2)	-	0.41	-	-	**0.41**
As at March 31, 2023	**216.01**	**86.84**	**0.29**	**2.67**	**305.81**
Net carrying amount					
As at March 31, 2022	**35.99**	**4.66**	**0.48**	**3.55**	**44.68**
As at March 31, 2023	**23.99**	**6.47**	**0.29**	**1.77**	**32.52**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

Note 9.1

Brands include brand of the power transmission business amounting ₹ 240 crore which was acquired by the Company under the High Court approved Composite Scheme of Arrangement (the 'Scheme') in an earlier year. In terms of the Scheme, the brand is being amortised by the Company over its useful life, which based on an expert opinion is estimated to be of 20 years. The remaining amortisation period is 2 years (as at March 31, 2022 - 3 years).

Note 9.2

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.

Note 9.3

Non-compete fees paid on acquisition of KEC Spur Infrastructure Private Limited. (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non-compete agreement i.e. 3 years. The remaining amortisation period is 1 year (as at March 31, 2022 - 2 years).

NOTE 10 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current:		
Investment in equity shares (at fair value through other comprehensive income)		
Unquoted		
4900 Fully paid Equity Shares of ₹ 10 each of RP Goenka Group of Companies Employees Welfare Association	★	★
	★	★
Aggregate book value of unquoted investments	★	★
Aggregate provision for diminution in value of investments	-	-

★ less than rounding off norms adopted by the Group.

As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Entity)', no portion of income or property shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to members of the Entity. Any surplus upon winding up or dissolution of the Entity shall not be distributed amongst the members of the Entity but shall be given or transferred to such other Companies having objects similar to the objects of this Entity, to be determined by the members of the Entity at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

As, there are significant restrictions on the ability of the Entity to transfer funds to the Group in the form of cash dividends, the fair value of the Group's interest in the Entity is concluded to be equal to cost.

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 11 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current trade receivables - Unsecured		
(a) Considered good	384.10	478.84
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	-
	384.10	**478.84**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	24.80	11.15
	359.30	**467.69**

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer note 55B.3)

Particulars	₹ in Crore
Balance as at March 31, 2021	**26.88**
Add: Created during the year	3.24
Less: Released during the year	18.97
Balance as at March 31, 2022	**11.15**
Add: Created during the year	10.26
Add: Transfer from current trade receivables	7.52
Less: Released during the year	4.13
Balance as at March 31, 2023	**24.80**

Note 11.1: Trade receivables (non current) ageing

As at March 31, 2023

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Non-Current Trade Receivable							
Undisputed – considered good	152.52	-	13.37	89.89	117.30	11.02	**384.10**
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-		-
Disputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
	152.52	**-**	**13.37**	**89.89**	**117.30**	**11.02**	**384.10**

As at March 31, 2022

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Non-Current Trade Receivable							
Undisputed – considered good	260.63	5.22	84.67	117.30	10.91	0.11	**478.84**
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
	260.63	**5.22**	**84.67**	**117.30**	**10.91**	**0.11**	**478.84**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 12 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars		As at March 31, 2023	As at March 31, 2022
Non-current			
a)	**Contractually reimbursable expenses**	28.95	26.67
b)	**Security Deposits, Unsecured :**		
	Considered good	47.25	14.36
	Having significant increase in credit risk	-	-
	Credit impaired	0.76	0.76
	Less: Allowance for bad and doubtful security deposits (Refer note 12.1)*	0.76	0.76
		47.25	**14.36**
		76.20	**41.03**

Movement in the allowance for bad and doubtful security deposit (Expected Credit Loss)

Note 12.1

Particulars	₹ in Crore
Balance as at March 31, 2021	**0.76**
Add: Created during the year	-
Less: Released during the year	-
Balance as at March 31, 2022	**0.76**
Add: Created during the year	-
Less: Released during the year	-
Balance as at March 31, 2023	**0.76**

NOTE 13 - NON-CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax payments less provisions	268.03	179.43
	268.03	**179.43**

NOTE 14 - OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	Capital advances	0.04	10.65
(b)	Others		
-	Excise duty recoverable from Government authorities	24.50	24.45
-	VAT Credit / WCT /Service tax receivables	127.79	121.05
-	GST Receivable	14.84	12.41
-	Prepaid expenses	11.77	4.08
-	Sales tax/ excise duty/service tax/ entry tax, etc. paid under protest	28.57	21.75
-	Others (includes amounts towards judicial deposits)	10.37	15.21
		217.84	**198.95**
		217.88	**209.60**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 15 - INVENTORIES

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories (lower of cost and net realisable value)		
(a) Raw materials		
(i) in stock	754.24	596.51
(ii) in-transit	7.44	6.52
	761.68	**603.03**
(b) Work-in-progress	112.40	195.90
(c) Finished goods	212.02	227.29
(d) Stores and spares	37.19	29.27
(e) Scrap	13.87	10.99
	1,137.16	**1,066.48**

NOTE 16 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted - Other investments :		
Investments in Commercial Papers	-	12.64
(Carried at fair value through profit or loss)		
	-	**12.64**
Notes : Quoted investments		
Aggregate book value of quoted investments	-	12.64
Aggregate book value of quoted investments and market value thereof	-	12.64

NOTE 17 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables - Unsecured (Refer notes 17.1, 17.2 and 55B.3)		
(a) Considered good	6,980.26	5,172.25
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	12.36
	6,980.26	**5,184.61**
Less: Allowance for bad and doubtful debts (expected credit loss allowance)*	84.20	78.51
	6,896.06	**5,106.10**

*** Movement in the allowance for bad and doubtful receivables (expected credit loss allowance): (Refer note 55B.3)**

Particulars	₹ in Crore
Balance as at March 31, 2021	**60.38**
Add: Created during the year	24.99
Less: Released during the year	7.34
Less: Exchange flactuation	(0.48)
Balance as at March 31, 2022	**78.51**
Add: Created during the year	20.27
Less: Transfer to non current trade receivables	7.52
Less: Released during the year	7.19
Add: Exchange fluctuation	0.13
Balance as at March 31, 2023	**84.20**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

Note 17.1: Transfer of financial assets

The Group has discounted trade receivables with an aggregate carrying amount of ₹ 177.54 crore (during the previous year ended March 31, 2022 ₹ 153.19 crore) with banks for cash proceeds of ₹175.47 crore during the current year (during the previous year ended March 31, 2022 is ₹ 151.95 crore). These arrangements are "non-recourse" to the Group and accordingly, the Group has derecognised these receivables as at March 31, 2023. Amount of interest charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 2.07 crore. (during the previous year ₹1.24 crore).

Further the Group has discounted certain trade receivables with the banks "with recourse" to the Group. The carrying amount of such receivables as at March 31, 2023 ₹ 68.05 crore (As at March 31, 2022 ₹ 42.88 crores) are recognised as trade receivables and corresponding carrying amount of associated liabilities of ₹ 68.05 crore (As at March 31, 2022 ₹ 42.88 crore) are recognised as secured borrowings and there are restrictions on further selling and pledging of these receivables.

Note 17.2 Receivable from related parties is ₹0.54 crore (As at March 31, 2022 ₹3.90 crore).

Note 17.3: Trade receivables ageing

As at March 31, 2023

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed – considered good	5,146.96	939.97	357.25	290.12	173.08	40.75	**6,948.13**
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	**-**
Undisputed – Credit Impaired	-	-	-	-	-	-	**-**
Disputed – considered good	1.89	0.10	0.10	2.84	0.70	1.03	**6.66**
Disputed – Having significant increase in credit risk	-	-	-	2.52	4.71	18.24	**25.47**
Disputed – Credit Impaired	-	-	-	-	-	-	**-**
	5,148.85	**940.07**	**357.35**	**295.48**	**178.49**	**60.02**	**6,980.26**

As at March 31, 2022

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed – considered good	3,999.91	723.14	215.74	133.75	2.48	88.40	**5,163.42**
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	**-**
Undisputed – Credit Impaired	-	-	-	-	-	0.92	**0.92**
Disputed – considered good	1.83	0.49	0.21	0.55	0.46	5.29	**8.83**
Disputed – Having significant increase in credit risk	-	-	-	-	-	-	**-**
Disputed – Credit Impaired	-	1.70	-	0.95	0.08	8.71	**11.44**
	4,001.74	**725.33**	**215.95**	**135.25**	**3.02**	**103.32**	**5,184.61**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 18 - CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks		
(i) In current accounts	239.77	187.57
(ii) In deposit accounts	34.09	5.99
	273.86	**193.56**
(b) Cheques on hand	-	8.00
(c) Cash on hand	7.30	6.07
	281.16	**207.63**

Note 18.1 There are restrictions on repatriations with regards to cash and cash equivalents as at March 31, 2023 of ₹ 7.49 crore (as at March 31, 2022, ₹ 8.60 crore).

NOTE 19 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Earmarked balances with banks - unpaid dividend accounts	3.00	3.01
(ii) Bank deposit with original maturity of more than 3 months but less than 12 months	6.14	6.22
(iii) Margin Money deposit with maturity less then 12 months	0.69	0.72
(iv) Balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments.	53.17	44.36
	63.00	**54.31**

NOTE 20 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
(i) Sundry Deposits	93.91	34.26
(ii) Interest accrued on fixed deposits	0.14	0.36
(iii) Insurance claims	0.64	0.78
(iv) Mark to market gain on forward and commodity contracts (Refer note 55C)	14.96	28.32
(v) Contractually reimbursable expenses	54.96	50.02
	164.61	**113.74**

NOTE 21 - CONTRACT ASSETS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Amount due from customers for contract works	6,249.13	6,097.18
Less: Allowance for contract assets (Refer note 21.1)	7.95	5.09
	6,241.18	**6,092.09**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

Note 21.1 Movement in allowance on contract assets (expected credit loss allowance) (Refer note 55B.3)

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	5.09	5.09
Additions	2.86	-
Reversals	-	-
Closing balance	**7.95**	**5.09**

The contract assets represent amount due from customer, primarily relate to the Group'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 Group 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. (Refer note 35)

NOTE 22 - CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax payments less provisions	53.16	28.42
	53.16	**28.42**

NOTE 23 - OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to suppliers	158.22	165.86
Employee advances	13.25	11.82
Cenvat / Service tax input credit receivable	-	0.12
Excise duty recoverable from Government authorities	-	0.05
VAT credit / WCT receivables	187.85	106.31
GST receivable	417.30	492.95
GST/Excise rebate receivable on exports	42.87	63.71
Prepaid expenses	147.62	130.52
Export benefits	19.68	33.96
Assets classified as held for sale (Refer note 23.1)	2.45	3.07
	989.24	**1,008.37**

Note 23.1 - Details of assets classified as held for sale

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Leasehold Land at Jaipur [(Refer note 23.1 (a)]	2.45	2.45
Leasehold Land at Raibareli [(Refer note 23.1 (b)]	-	0.62
Total	**2.45**	**3.07**

(a) The Company has signed Memorandum of Understanding (MOU) against which the Company had received sales consideration amounting to ₹ 9.41 crore (as at March 31, 2022 ₹ 9.41 crore) [(Refer note 36 (a)]. However, the title and possession of the land is yet to be transferred due to pending approvals from regulatory authorities.

(b) Land situated at plot no. A03 of Raebareli plant was held for sale as on March 31, 2022. During the current year, this land has been sold for sales consideration of ₹ 4.15 crore and resulting profit on sale of land of ₹ 2.32 crore recognised in other income (Refer note 40).

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 24 - SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	₹ in crore	Nos.	₹ in crore
Authorised:				
Equity Shares:				
Equity Shares of ₹2 each	570,000,000	114.00	570,000,000	114.00
Preference Shares				
Redeemable Preference Shares of ₹ 100 each	1,500,000	15.00	1,500,000	15.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity Shares of ₹ 2 each fully paid up	257,088,370	51.42	257,088,370	51.42
	257,088,370	**51.42**	**257,088,370**	**51.42**

Note 24.1 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year:

Particulars	Nos.	₹ in crore
Equity Shares Outstanding as at April 01, 2021	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2022	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2023	**257,088,370**	**51.42**

Note 24.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

Sr. No.	Name of the shareholder*	As at March 31, 2023		As at March 31, 2022	
		No. of Shares Held	Percentage of Shares held	No. of Shares Held	Percentage of Shares held
1	Swallow Associates LLP	67,756,616	26.36	67,756,616	26.36
2	Summit Securities Limited	28,171,543	10.96	28,104,322	10.93
3	HDFC Trustee Company Limited	22,813,728	8.87	22,599,573	8.79
4	Instant Holdings Limited	22,299,164	8.67	22,207,827	8.64

** Shares held in multiple folios have been combined*

Note 24.3 The Company has only one class of Equity Shares having a face value of ₹ 2 each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company. The Company in General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller 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 preferential amounts.

Notes

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Note 24.4 Shares held by promoters at the end of the year

S. No	Promoter name	As at March 31, 2023			As at March 31, 2022		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Promoter							
1	Harsh Vardhan Goenka	5,042,917	1.96	-	5,042,917	1.96	-
Promoter Group							
2	Anant Vardhan Goenka	40,000	0.02	-	40,000	0.02	-
3	Stellar Energy Trust* (Mr.Harsh Vardhan Goenka is a Trustee)	-	-	-	100	-	-
4	Mala Goenka	50	-	-	50	-	-
5	RG Family Trust (Mr.Anant Vardhan Goenka is a Trustee)	10	-	-	10	-	-
6	AVG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)	10	-	-	10	-	-
7	Ishaan Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	-	-	10	-	-
8	Navya Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	-	-	10	-	-
9	Radha Anant Goenka	10	-	-	10	-	-
10	Nucleus Life Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
11	Prism Estate Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
12	Secura India Trust (Mr.Harsh Vardhan Goenka is a Trustee)	101	-	0.00%	1	-	-
13	Swallow Associates LLP	67,756,616	26	-	67,756,616	26.36	-
14	Summit Securities Limited	28,171,543	11	0.03%	28,104,322	10.93	-
15	Instant Holdings Limited	22,299,164	9	0.03%	22,207,827	8.64	-
16	Stel Holdings Limited	5,011,891	2	-	5,011,891	1.95	-
17	Carniwal Investments Limited	2,970,981	1	-	2,970,981	1.16	-
18	Chattarpati Apartments LLP	1,790,785	1	-	1,790,785	0.70	-
19	Ektara Enterprises LLP	10	-	-	10	-	-
20	Malabar Coastal Holdings LLP	10	-	-	10	-	-
21	Sofreal Mercantrade Pvt Ltd	10	-	-	10	-	-
22	Vayu Udaan Aircraft LLP	10	-	-	10	-	-
23	Sudarshan Electronics and TV Ltd	1	-	-	1	-	-
24	RPG Ventures Limited	284,950	0.11	-	284,950	0.11	-
25	Atlantus Dwellings and Infrastructure LLP	10	-	-	10	-	-

** Stellar Energy Trust has been dissolved and has ceased to exist.*

Notes

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NOTE 25 - OTHER EQUITY

₹ in Crore

Particulars	Reserves & Surplus							Other Comprehensive Income			Total
	Capital Reserve	Capital Reserve on Con solidation	Securities Premium	Capital Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	
Notes	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Balance as at March 31, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Profit for the year	-	-	-	-	-	-	332.08	-	-	-	**332.08**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(1.78)	29.56	3.19	**30.97**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**332.08**	**(1.78)**	**29.56**	**3.19**	**363.05**
Transactions with owners in their capacity as owner	-	-	-	-	-	-	-	-	-	-	**-**
Transfer to Statutory reserve	-	-	-	-	2.13	-	(2.13)	-	-	-	**-**
Dividends	-	-	-	-	-	-	(102.81)	-	-	-	**(102.81)**
Balance as at March 31, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.25**	**8.36**	**31.12**	**1.93**	**3,568.51**
Balance as at April 01, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.25**	**8.36**	**31.12**	**1.93**	**3,568.51**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**3.08**	**191.72**	**3,146.25**	**8.36**	**31.12**	**1.93**	**3,568.51**
Profit for the year	-	-	-	-	-	-	176.03	-	-	-	**176.03**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(8.23)	86.47	(0.46)	**77.78**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**176.03**	**(8.23)**	**86.47**	**(0.46)**	**253.81**
Transactions with owners in their capacity as owner											
Increase on account of capital reduction of a subsidiary	-	-	-	-	-	-	0.02	-	-	-	**0.02**
Reduction on account of closure of subsidiary	-	-	-	-	-	-	0.49	-	-	-	**0.49**
Transfer to Statutory reserve	-	-	-	-	1.36	-	(1.36)	-	-	-	**-**
Dividends	-	-	-	-	-	-	(102.83)	-	-	-	**(102.83)**
Balance as at March 31, 2023	**84.98**	**0.04**	**86.75**	**14.28**	**4.44**	**191.72**	**3,218.60**	**0.13**	**117.59**	**1.47**	**3,720.00**

Note (a) Capital reserve was created on account of merger of RPG Cables Limited (RPGCL) with the Company pursuant to the Scheme of Amalgamation in the financial year 2009-2010.

Note (b) Capital Reserve on consolidation was created on acquisition of two subsidiaries, where the net assets were more than the consideration paid in earlier years

Note (c) Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013.

Note (d) Capital Redemption Reserve was created upon redemption of preference shares. The preference shares were redeemed in the financial years 2007-08 and 2008-09.

Note (e) Statutory reserve pertains to the Joint Operation at Saudi Arabia. In accordance with the Saudi Arabian Companies law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Joint Operation. It also consists of Statutory reserve created at KEC Towers LLC, Dubai in accordance with UAE Company law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Subsidiary.

Note (f) General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Note (g) 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.

Note (h) The cashflow hedging reserve is used to recognize the effective portion of gains or losses on derivative that are designated and qualify as cashflow hedges, as described in accounting policy note 3.24.

Note (i) Foreign currency translation reserve pertaining to exchange difference arising on translation of the foreign operation are recognised in other comprehensive income as described in accounting policy note 3.10 and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the foreign operation is disposed-off.

Note (j) Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.

Notes

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NOTE 26 - BORROWINGS

₹ in Crore

Particulars		As at March 31, 2023	As at March 31, 2022
Non-current:			
Measured at amortised cost :			
I	**Term loans***		
	From banks		
	Secured [Refer note 26.1(a)]	49.31	45.62
	Less : Current maturities of long-term debt (Refer note 31.3)	(16.44)	-
		32.87	**45.62**
	Unsecured [Refer note 26.1(b)]	536.33	420.14
	Less : Current maturities of long-term debt (Refer note 31.3)	(276.04)	(72.50)
		260.29	**347.64**
II	**From Other Parties**		
	Secured [Refer note 26.1(c)]	200.00	-
		200.00	**-**
		493.16	**393.26**

26.1 Term loans

(a) From banks: Secured

(i) ₹ 32.87 crore (As at March 31, 2022 ₹45.62 crore) External Commercial Borrowing loan secured by first and excluve charge over construction Equipments both present and future at all projects site relating to its Transsmission, Railway and Civil business in India. Repayment terms are three equal yearly installments starting from August, 2023. Interest rate is 3M LIBOR + 160 bps.

(b) From Banks: unsecured:

(i) ₹ Nil (As at March 31, 2022 ₹150 crore) unsecured Term loan from Axis Bank. Repayment terms is in two equal half yearly installments September 05, 2023 and March 14, 2024. The fixed interest rate is 6.80% p.a.

(ii) ₹ Nil (Previous year 120.30 crore) pertains to a subsidiary at Brazil repayable in monthly structured installments from 2022 to 2024. The interest rates are in the ranges between 11.65% to 17.89% p.a. These loans are repayable in Brazilian Real (BRL).

(iii) ₹ Nil (previous year 149.84 crore) pertains to a subsidiary at Brazil repayable in monthly structured installments during 2024 to 2025. The present rate of interest is 16.76% p.a. (previous year Nil). These loans are repayable in Brazilian Real (BRL).

(iv) ₹ 95.96 (Previous year Nil) pertains to a subsidiary at Brazil repayable in quaterly structured installments during 2024 to 2025. The present rate of interest at 19.15% p.a. (previous year ranges from 11.65% to 17.89% p.a). These loans are repayable in Brazilian Real (BRL).

(v) ₹164.33 crore (previous year ₹Nil) pertains to a subsidiary at Brazil repayable in quarterly structured installments during 2026 to 2028 and the present interest rate at 8.15% p.a. These loans are repayable in USD.

(c) From Other Parties

Secured:

₹ 200 crore (As at March 31, 2022 ₹ Nil) Loan from a financial instution which is secured by security stated against Note 31.1. Repayment will be on April 29, 2024 and September 24, 2024. The interest rates are in the ranges from 8.46% to 8.87% p.a.

(d) As at March 31, 2023 and March 31, 2022, the Group was in compliance with all of its debt covenants for borrowings.

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 27 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Lease liabilities (Refer note 53)	163.17	167.44
	163.17	**167.44**

NOTE 28 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current:		
Provision for employee benefits		
- Gratuity, post employment benefits (Refer note 56)	17.33	10.56
- Compensated Absences (Refer note 56)	2.31	-
- Others (includes provision towards judicial deposits of a subsidiary) (Refer note 28.1)	4.48	3.18
	24.12	**13.74**

28.1 Provision towards judicial deposits*

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**3.18**	**4.09**
Additions	0.99	-
Reversals	-	1.03
Effect of translation adjustment (gain) / loss	0.31	0.12
Closing balance	**4.48**	**3.18**

These represents provision created for Judicial deposits kept with labour authorities of foreign subsidiaries related to various ongoing labour cases.

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forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 29 - DEFERRED TAX LIABILITIES / ASSETS (NET)

29.1 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2023 are as follows:

₹ in Crore

Particulars	Opening Balance (As at April 01, 2022)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI - Foreign Exchange adjustments	Closing Balance (As at March 31, 2023)
Deferred tax (liabilities)/assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(38.21)	4.46	-	-	**(33.75)**
Undistributed earnings of joint operations	(34.80)	24.00	-	-	**(10.80)**
Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years	(0.06)	0.06	-	-	**0.00**
Allowance for doubtful debts, loans and advances	20.48	2.13	-	-	**22.61**
Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)	0.33	-	0.29	0.07	**0.69**
Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years	11.68	(1.20)	-	-	**10.48**
Provision for expected loss on construction contracts, etc.	5.12	(0.19)	-	-	**4.93**
Right-of-use assets (net of lease liabilities) - (Refer note 53)	0.65	1.90	-	-	**2.55**
Asset held for sale	0.82	(0.82)	-	-	**0.00**
Net (Gain) / Losses on Cash flow hedges	(2.80)	-	2.80	-	**(0.00)**
Exchange differences on translation of foreign joint operations	(7.01)	-	3.09	-	**(3.92)**
Deferred Tax (liabilities)/assets (net)	**(43.80)**	**30.34**	**6.18**	**0.07**	**(7.21)**

Significant components of deferred tax assets (net) of subsidiaries are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2022)	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI - Foreign Exchange adjustments	Closing Balance (As at March 31, 2023)
Deferred tax (liabilities)/assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(15.01)	(4.06)	-	(2.12)	**(21.19)**
Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss	1.85	(0.01)	-	(0.29)	**1.55**
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years	33.56	6.99	-	2.11	**42.66**
Tax loss carry forward*	199.84	103.53	-	7.60	**310.97**
Other Assets and deferred expenses	(6.11)	-	-	(0.57)	**(6.68)**
Deferred Tax (Liabilities)/assets (net)	**214.13**	**106.45**	**-**	**6.73**	**327.31**

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

29.2 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2022 are as follows:

₹ in Crore

Particulars	Opening Balance (As at April 01, 2021)	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI - Foreign Exchange adjustments	Closing Balance (As at March 31, 2022)
Deferred tax (liabilities)/assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(43.27)	5.28	-	(0.22)	**(38.21)**
Undistributed earnings of joint operations	(41.94)	7.14	-	-	**(34.80)**
Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years	(0.23)	0.17	-	-	**(0.06)**
Allowance for doubtful debts, loans and advances	25.09	(4.61)	-	-	**20.48**
Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)	1.25	-	(0.97)	0.05	**0.33**
Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years	12.54	(0.86)	-	-	**11.68**
Provision for expected loss on construction contracts, etc.	0.05	5.07	-	-	**5.12**
Right-of-use assets (net of lease liabilities) (Refer note 53)	0.65	-	-	-	**0.65**
Asset held for sale	0.82	-	-	-	**0.82**
Net (Gain) / Losses on Cash flow hedges	(3.40)	-	0.60	-	**(2.80)**
Exchange differences on translation of foreign joint operations	(6.71)	-	(0.30)	-	**(7.01)**
Deferred tax (liabilities)/assets (net)	**(55.15)**	**12.19**	**(0.67)**	**(0.17)**	**(43.80)**

Significant components of deferred tax assets (net) of subsidiaries as at March 31, 2022 are as follows

₹ in Crore

Particulars	Opening Balance (As at April 01, 2021)	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI - Foreign Exchange adjustments	Closing Balance (As at March 31, 2022)
Deferred tax (liabilities)/assets in relation to :					
Property, plant and equipment and Intangible assets	(16.08)	(1.03)	-	2.10	**(15.01)**
Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss	(0.90)	2.43	-	0.32	**1.85**
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years	24.57	5.07	-	3.92	**33.56**
Tax loss carry forward*	56.00	114.26	-	29.58	**199.84**
Other assets and deferred expenses	(1.66)	(1.69)	-	(2.76)	**(6.11)**
Deferred Tax (liabilities)/assets (net)	**61.93**	**119.04**	**-**	**33.16**	**214.13**

Foot Note :

Deferred tax liabilities/ assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 30 - OTHER NON CURRENT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current:		
Deferred Government Grant (Refer note 68)*	0.45	0.47
Total	**0.45**	**0.47**

*** Movement in deferred Government Grant**

Particulars	₹ in Crore
Balance as at March 31, 2021	**-**
Add: Received during the year	0.50
Less: Recognised as income during the year	0.01
Less: Disclosed as other current liabilities (Refer note - 36)	0.02
Balance as at March 31, 2022	**0.47**
Add: Received during the year	-
Less: Recognised as income during the year	-
Less: Disclosed as other current liabilities (Refer note - 36)	0.02
Balance as at March 31, 2023	**0.45**

NOTE 31 - BORROWINGS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
I Loans repayable on demand		
From Banks		
Secured [Refer note 31.1(a)]	1,037.48	670.89
Unsecured [Refer note 31.1(b)]	86.10	153.79
	1,123.58	**824.68**
II Other short term borrowings		
From Banks		
Secured [Refer note 31.2(a)]	522.10	547.26
Unsecured [Refer note 31.2(b)]	466.95	65.93
	989.05	**613.19**
From Other Parties		
Secured [Refer note 31.2(c)]	-	190.80
Unsecured [Refer note 31.2(c)]	296.18	768.28
	296.18	**959.08**
III Current Maturities of Long Term Borrowings		
From banks		
Secured [Refer note 31.3]	16.44	-
Unsecured [Refer note 31.3]	276.04	72.50
	292.48	**72.50**
	2,701.29	**2,469.45**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

Note 31.1 : Loans repayable on demand from banks :

(a) Secured

(i) ₹ 1,023.68 crore (As at March 31, 2022 ₹570.89 crore) obtained from consortium of banks which are secured by first pari passu charge on the entire current assets of the Company, both present and future (except specific export receivables financed by financial institutions and banks), second pari passu charge on fixed assets of the Company's manufacturing facilities situated at Jaipur, Jabalpur and Nagpur factories and further secured by first pari passu charge on flat situated at Juhu, Mumbai in favour of working capital consortium bankers. The interest rates are in the ranges from 5% to 8.70% p.a. (previous year interest rates ranges from 5 % to 9.15% p.a).

(ii) ₹ 13.80 crore (As at March 31, 2022 ₹ Nil), pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a.

(iii) ₹ Nil (As at March 31, 2022 ₹ 100 crore), secured by GST receivable. The interest rates were in the ranges from 5.10 % to 5.15% p.a.

(b) Unsecured

(i) ₹Nil (As at March 31, 2022 ₹ 11.95 crore) pertains to subsidiary at Mexico. The interest rates were in the ranges from 4.47% to 9.47 % p.a.

(ii) ₹ Nil (As at March 31, 2022 ₹ 2.44 crore), pertains to subsidiary at Malaysia. The interest rate was 2.5% + KLIBOR.

(iii) ₹Nil (As at March 31, 2022 ₹ 139.40 crore) pertains to subsidiary at Brazil . The interest rates were in the ranges from 4.47% to 9.47 % p.a.

(iv) ₹ 5.23 crore (As at March 31, 2022 ₹ Nil), pertain to subsidiary KEC Towers LLC. The interest rate is 8.16% p.a.

(v) ₹ 80.87 crore (As at March 31, 2022 ₹ Nil) pertaining to a subsidiary at Brazil. The interest rate is 17.60% p.a.

Note 31.2 : Other short-term borrowings

(a) From Banks-Secured

(i) ₹415.21 crore (As at March 31, 2022 ₹ 502.48 crore) PCFC and FCNRB loans secured by security stated in Note 31.1(a)(i) above. The interest rates are in the ranges from 3.81% to 6.22% p.a. (previous year interest rates ranges from 0.50% to 1.70% p.a.).

(ii) ₹9.17 crore (As at March 31, 2022 ₹ 42.88 crore) debtors bill discounting secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 3.30% to 7.53% p.a. (previous year interest rates ranges from 2.90% to 3.30 % p.a.).

(iii) ₹ 38.49 crore (As at March 31, 2022 ₹ Nil) pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates are in the ranges of 6.87% p.a to 7.25% p.a.

(iv) ₹15.68 crore (As at March 31, 2022 ₹ 1.90 crore) secured by assignment of certain book debts and irrevocable Corporate Guarantee from the Company.The interest rates are in the ranges from 4.20% to 7.90% p.a. (previous year interest rates ranges from 4.20% to 7.90% p.a.).

(v) ₹ 43.55 crore - (As at March 31, 2022 ₹ Nil) debtors bill discounting secured by assignment of certain book debt for Cable projects. The interest rates are in ranges from 8.00% to 8.55% p.a.

(b) From Bank-unsecured

(i) ₹16.95 crore (As at March 31, 2022 ₹ 65.93 crore) unsecured purchase and service bill discounting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro & Small Enterprises vendors. The interest rates ranges from 4.29% to 8.00 % p.a. (previous year interest rates ranges from 4.39% to 6.50 % p.a.).

(ii) ₹ 450 crore (As at March 31, 2022 ₹ Nil). The interest rates are in the ranges from 7.00% to 8.05% p.a.

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(c) **From Other Parties**

Secured:

₹ Nil (As at March 31, 2022 ₹ 190.80 crore) secured by security stated against Note 31.1 (i) above. The interest rates were in the ranges from 3.05% to 3.75% p.a.

Unsecured:

₹ 296.18 crore (As at March 31, 2022 ₹ 768.28 crore) being listed commercial papers which carries interest rate ranges between 7.90% p.a. to 8.20% p.a. (previous year interest rates ranges from 4.53% p.a. to 5.18% p.a.). Maturity for current year commercial paper ranges from 85 days to 90 days (previous year maturity ranges from 90 days to 180 days).

Note 31.3 Current Maturities of Long Term Borrowings

Secured:

₹ 16.44 crore (As at March 31, 2022 - Nil) External Commercial Borrowing loan secured by first charge over construction Equipments present at all projects site relating to its Transsmission, Railway and Civil business in India. Repayment terms is three equal yearly instalments starting from August, 2023. Interest rate is 3M LIBOR + 160 bps.

Unsecured:

(i) ₹ 150 crore (As at March 31, 2022 - Nil) loan repayment is in Two equal installments due on September 05, 2023 and March 14, 2024. The Fixed interest rate is 6.80% p.a.

(ii) ₹ 69.00 crore (Previous year ₹72.50 crore) pertains to a subsidiary at Brazil repayable in quarterly structured instalments during from 2024 to 2025. The present rate of interest is 19.15% p.a. (previous year interest rates ranges from 11.65% to 17.89% p.a). These loans are repayable in Brazilian Real (BRL).

(iii) ₹ 57.04 crore (previous year ₹ Nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2023 to 2024. The present interest rate are in ranges from 18.40% to 22.25% p.a. These loans are repayable in Brazilian Real (BRL).

Note 31.4 The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

As at March 31, 2023 and March 31, 2022, the Group was in compliance with all of its debt covenants for borrowings.

NOTE 32 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Lease liabilities (Refer note 53)	25.75	34.46
Total	**25.75**	**34.46**

NOTE 33 - TRADE PAYABLES

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
(i) Total outstanding dues of micro and small enterprises (Refer note 33.1)	171.98	154.83
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Acceptance	2,113.06	2,151.81
(b) Others	6,103.29	4,540.69
	8,216.35	**6,692.50**
	8,388.33	**6,847.33**

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Note 33.1: Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the Group.

₹ in Crore

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	The principal amount remaining unpaid to supplier as at the end of accounting year	153.03	135.79
(b)	The interest due thereon remaining unpaid to supplier as at the end of accounting year.	3.17	1.38
(c)	The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	15.77	17.66
(e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	0.71	4.16
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure.	18.94	19.04

Note 33.2: Trade payable ageing schedule

As at March 31, 2023

₹ in Crore

Particulars	Outstanding for following periods from due date of payments							
	Dispute Status	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Micro and Small enterprises	Disputed	-	-	-	-	-	-	**-**
	Undisputed	-	82.99	48.02	18.84	12.41	9.72	**171.98**
Other than Micro and Small enterprises	Disputed	-	-	-	-	0.01	0.62	**0.63**
	Undisputed	1,442.48	3,308.56	868.66	246.54	97.57	138.85	**6,102.66**
Acceptances		-	2,113.06	-	-	-	-	**2,113.06**
		1,442.48	**5,504.61**	**916.68**	**265.38**	**109.99**	**149.19**	**8,388.33**

As at March 31, 2022

₹ in Crore

Particulars	Outstanding for following periods from due date of payments							
	Dispute Status	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Micro and Small enterprises	Disputed	-	-	-	-	-	-	**-**
	Undisputed	-	100.01	42.18	6.59	4.25	1.80	**154.83**
Other than Micro and Small enterprises	Disputed	-	0.38	0.01	0.23	0.05	0.33	**1.00**
	Undisputed	1,322.55	2,372.68	755.07	28.32	21.51	39.56	**4,539.69**
Acceptances		-	2,151.81	-	-	-	-	**2,151.81**
		1,322.55	**4,624.88**	**797.26**	**35.14**	**25.81**	**41.69**	**6,847.33**

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NOTE 34 - OTHER FINANCIAL LIABILITIES

₹ in Crore

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	Interest accrued but not due on borrowings	21.39	12.21
(b)	Interest accrued on acceptances	0.25	0.72
(c)	Unpaid / unclaimed dividends #	3.00	3.01
(d)	Payable towards purchase of property, plant and equipment	10.52	16.40
(e)	Mark to market loss on forward contracts (Refer note 55C)	15.91	2.87
(f)	Directors' commission	3.10	6.39
		54.17	**41.60**

 # The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates. There are no amounts required to be transferred to Investor educationa and protection fund as at balance sheet date.

NOTE 35 - CONTRACT LIABILITIES

₹ in Crore

Particulars		As at March 31, 2023	As at March 31, 2022
(i)	Amount due to customers for contract works	245.75	793.22
(ii)	Advance from customer	2,357.80	1,586.12
(iii)	Interest on customer advance	16.75	31.53
		2,620.30	**2,410.87**

NOTE 36 - OTHER CURRENT LIABILITIES

₹ in Crore

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	Advances against assets classified as held for sale [Refer note 23.1(a)]	9.41	9.41
(b)	Other payables :		
	- Statutory dues (contribution to PF and ESIC, withholding tax, VAT, TDS, GST, Service Tax, etc.)	202.99	109.40
	- Liability towards Corporate Social Responsibility (Refer note 63)	4.34	3.13
	- Deferred Government Grant (Refer note 68)*	0.02	0.02
		207.35	**112.55**
		216.76	**121.96**

* Movement in deferred Govermment Grant

Particulars	₹ in Crore
Balance as at March 31, 2021	**-**
Add: Transferred from other non current liabilities (Refer note 30)	0.02
Balance as at March 31, 2022	**0.02**
Less: Recognised as income during the year	0.02
Add: Transferred from other non current liabilities (Refer note 30)	0.02
Balance as at March 31, 2023	**0.02**

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NOTE 37 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
- Compensated absences (Refer note 56)	37.22	37.31
- Gratuity, post employment benefits (Refer note 56)	2.85	2.31
	40.07	**39.62**
(b) Provision - others :		
- Warranty provisions (Refer note 37.1)	5.69	3.11
- Provision for litigation claims (Refer note 37.2 and note 37.3)	21.38	19.78
- Provision for foreseeable losses on construction contracts (Refer note 37.4)	27.30	25.29
	54.37	**48.18**
	94.44	**87.80**

Note: 37.1 Warranty provisions

The Group bases its estimates of warranty cost on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The warranty provisions for var ious years are as follows:

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	3.11	6.73
Additions	1.84	0.74
Utilisations /(reversals)	(0.02)	(4.71)
Effect of translation adjustment (gain) / loss	0.76	0.35
Closing balance	**5.69**	**3.11**

Note: 37.2

Provision for litigation claims represents liabilities that are expected to materialise on completion of negotiation/matters in appeals with judicial authorities.

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	19.78	21.02
Additions	2.99	0.11
Less: Reversals	1.78	0.80
Effect of translation adjustment (gain) / loss	0.39	(0.55)
Closing balance	**21.38**	**19.78**

Note: 37.3

It includes provision of ₹ 12.63 crore related to an arbitration award passed against the Company. The same is challenged by the Company before Hon'ble Delhi High Court. The balance provision relate to various sales tax matters and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.

Notes

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Note 37.4 Movement in Provision for expected forseable losses on construction contracts

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	25.29	3.52
Additions	20.86	24.54
Less: Reversals	18.90	2.78
Effect of translation adjustment (gain) / loss	0.05	0.01
Closing balance	**27.30**	**25.29**

Provision for forseable loss represents provision created towards unavoidable costs of meeting the obligations under the contract which exceed the economic benefits expected to be received under it.

NOTE 38 - CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax liabilities less payments	107.98	89.66
	107.98	**89.66**

NOTE 39 - REVENUE FROM OPERATIONS

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Revenue from Contract with customers (Refer note 52)		
(a) Sale of products	2,253.47	1,376.01
(b) Construction contracts revenue	14,709.15	12,113.29
(c) Sale of services	34.18	24.49
	16,996.80	**13,513.79**
Other operating revenue		
- Scrap sales	255.78	216.97
- Others	29.13	11.50
	284.91	**228.47**
	17,281.71	**13,742.26**

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forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 40 - OTHER INCOME

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
(a) Interest income earned on financial assets that are not designated at fair value through profit or loss:		
(i) Bank deposits (at amortised cost)	2.00	1.31
(ii) Other financial assets carried at amortised cost	14.19	2.68
	16.19	**3.99**
(b) Interest income earned on financial assets that are designated at fair value through profit or loss:		
(i) - Interest on Commercial Paper	-	1.36
	-	**1.36**
(c) Other Interest Income		
(i) Excise and VAT refund	-	0.19
(ii) Income tax refund	7.01	5.02
	7.01	**5.21**
(d) Government Grant (Refer note 68)	0.02	0.16
(e) Other non-operating income:		
(i) Guarantee charges	0.90	0.32
(ii) Profit on sale of property, plant and equipment [Refer note 22.1 (b)]	4.28	0.86
(iii) Bad Debts Recovered	0.41	-
(iv) Miscellaneous income #	2.51	1.53
	8.10	**2.71**
	31.32	**13.43**

 # It includes rent income on operating leases of ₹ 0.29 crore. [(Refer note 57(B)]

NOTE 41 - COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cost of materials consumed (including project bought outs)	6,969.83	6,090.81
	6,969.83	**6,090.81**

NOTE 42 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Opening stock		
Finished goods	227.29	195.93
Work-in-progress	195.90	85.47
	423.19	**281.40**
Less: Closing stock		
Finished goods	212.02	227.29
Work-in-progress	112.40	195.90
	324.42	**423.19**
	98.77	**(141.79)**

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NOTE 43 - ERECTION AND SUB-CONTRACTING EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Erection / construction materials consumed	2,234.50	1,161.38
Stores consumed	210.41	63.00
Sub-contracting expenses	3,391.07	2,720.41
Power, fuel and water charges	79.38	48.45
Construction transport	151.00	123.50
Machinery Hire charges	268.58	190.27
Others	217.30	202.14
	6,552.24	**4,509.15**

NOTE 44 - EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries and wages	1,215.90	1,154.78
Contribution to provident fund and other funds (Refer note 55)	48.69	33.29
Staff welfare expenses	91.65	70.59
	1,356.24	**1,258.66**

NOTE 45 - FINANCE COSTS

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest expense for financial liabilities not classified at FVTPL	523.77	303.93
Interest expense on lease liabilities	10.27	6.78
Other borrowing costs (processing fees, etc.)	4.55	5.29
	538.59	**316.00**

NOTE 46 - DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation on property, plant and equipment (Refer note 5)	121.80	105.87
Depreciation on Right of use assets (Refer note 6)	23.49	25.06
Amortisation of intangible assets (Refer note 9)	16.19	26.93
	161.48	**157.86**

Notes

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NOTE 47 - OTHER EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Tools, non-erection stores and maintenance spares consumed	22.70	17.48
Power and fuel	72.60	62.53
Rent	57.22	44.62
Rates and taxes, excluding taxes on income (net)	77.04	59.59
Insurance	112.23	105.98
Bank (guarantee, letter of credit and other) charges	117.16	96.52
Commission	38.84	25.63
Freight and forwarding (net)	369.05	279.03
Repairs to buildings	9.06	5.99
Repairs to plant and equipment	19.24	15.14
Repairs to other property, plant and equipment	18.14	16.59
Travelling and conveyance	115.39	88.24
Payment to statutory auditors (net of Goods and Service Tax input credit, where applicable)		
- as auditors (for audit of financial statements and limited reviews)	1.92	1.92
- for tax audit	0.08	0.08
- for certification work	0.80	0.75
- for reimbursement of expenses	0.02	0.01
	2.82	**2.76**
Professional fees	171.71	111.76
Bad debts and loans written off	28.38	6.99
Less: Adjusted against allowance for bad and doubtful debts, loans and advances	(10.72)	(17.67)
	17.66	**(10.68)**
Allowance for bad and doubtful debts (net)	32.80	28.24
Directors' fees	0.70	0.71
Loss on property, plant and equipment discarded	0.95	0.67
Net gain on foreign currency transactions (Refer note 47.2)	(28.19)	(61.02)
Corporate Social Responsibility (Refer note 63)	14.04	13.81
Miscellaneous expenses (Refer note 47.1)	233.74	218.34
	1,474.90	**1,121.93**

Note 47.1 : Miscellaneous expenses shown above include fees of ₹ 1.79 crore (Previous year ₹ 1.92 crore) paid to branch auditors, fees of ₹ 0.14 crore for auditors of joint operations (Previous year of ₹ 0.40 crore), fees of ₹ 2.98 crore for auditors of subsidiaries (Previous year ₹ 2.20 crore).

Note 47.2 : Net gain on foreign currency transactions includes loss on derivative instruments ₹ 5.48 crore (previous year loss ₹1.16 crore)

Notes

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NOTE 48 - EXCEPTIONAL ITEM

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Trade receivable written off (Refer note 64)	-	43.64
	-	**43.64**

NOTE 49 - TAX EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Current tax		
In respect of the current year	117.84	200.73
In respect of prior years	3.90	(2.15)
	121.74	**198.58**
Deferred tax		
In respect of the current year	(112.79)	(124.32)
In respect of prior years	(24.00)	(6.91)
	(136.79)	**(131.23)**
Total income tax expense recognised in the Statement of Profit and Loss	**(15.05)**	**67.35**

Note 49.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Consolidated Statement of Profit and Loss is as follows :

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit after exceptional items and before tax	160.98	399.43
Indian Statutory income tax rate	25.17%	25.17%
Income tax expense	40.52	100.54
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	2.32	1.09
Corporate social responsibility expenditure	3.53	3.48
Tax effect of amounts taxable at lower tax rates/ different tax rates	(6.25)	1.36
Effect of different tax rates of subsidiaries operating in other jurisdictions	(43.22)	(31.01)
Foreign Tax credit not available	9.36	2.14
Effect of deferred tax liabilities on temporary adjustments of subsidiaries operating in other jurisdiction	0.02	(0.16)
Tax effect due to business combination adjustment on account of merger and acquisition	(1.23)	(1.03)
	5.05	**76.41**
Adjustments recognised in the current year in relation to the current tax of prior years	**(20.10)**	**(9.06)**
Income tax expense in the Consolidated Statement of Profit and Loss	**(15.05)**	**67.35**

The tax rate used for the financial years 2022-23 and 2021-22 reconciliations above is the corporate tax rate of 25.17% payable by the corporate entities in India on taxable profits under the Indian tax law.

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Note 49.2- Income tax recognised in other comprehensive income

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
- Translation of foreign operations	3.09	(0.30)
- Net gain on designated portion of hedging instruments	2.80	0.60
- Remeasurement of defined benefit obligations	0.29	(0.97)
Total income tax recognised in other comprehensive income	**6.18**	**(0.67)**
Bifurcation of the income tax recognised in other comprehensive income into :		
- Items that will not be reclassified to profit or loss	0.29	(0.97)
- Items that will be reclassified to profit or loss	5.89	0.30
	6.18	**(0.67)**

NOTE 50 - EARNINGS PER SHARE

Particulars	For the Year ended March 31, 2023 (₹ Per Share)	For the Year ended March 31, 2022 (₹ Per Share)
(a) Basic earnings per share	6.85	12.92
(b) Diluted earnings per share	6.85	12.92

Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

₹ in Crore

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit for the year attributable to the equity share holders of the Company	176.03	332.08
Earnings used in the calculation of basic/ diluted earnings per share	176.03	332.08

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Weighted average number of equity shares for the purposes of basic / diluted earnings per share	257,088,370	257,088,370

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 51 - JOINTLY CONTROLLED OPERATIONS

Details of the Company's Jointly Controlled Operations are as under:

Particulars			Principal place of busines	Ownership Interest As at March 31, 2023	Ownership Interest As at March 31, 2022
a)	Jointly Controlled Operations				
	i	Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer note 51 (b)(i)]	Saudi	51.10%	51.10%
	ii	EJP KEC Joint Venture, South Africa	South Africa	50.00%	50.00%
	iii	KEC – ASSB JV, Malaysia	Malaysia	67.00%	67.00%
	iv	KEC – ASIAKOM – UB JV	India	60.00%	60.00%
	v	KEC – ASIAKOM JV	India	51.00%	51.00%
	vi	KEC – DELCO – VARAHA JV	India	80.00%	80.00%
	vii	KEC – VARAHA – KHAZANA JV	India	80.00%	80.00%
	viii	KEC – VALECHA – DELCO JV	India	51.00%	51.00%
	ix	KEC – SIDHARTH JV	India	80.00%	80.00%
	x	KEC – TRIVENI – KPIPL JV	India	55.00%	55.00%
	xi	KEC – UNIVERSAL JV	India	80.00%	80.00%
	xii	KEC – DELCO – DUTSAN JV	India	51.00%	51.00%
	xiii	KEC – ANPR – KPIPL JV	India	60.00%	60.00%
	xiv	KEC – PLR – KPIPL JV	India	55.00%	55.00%
	xv	KEC – BJCL JV	India	51.00%	51.00%
	xvi	KEC – KIEL JV	India	90.00%	90.00%
	xvii	KEC – ABEPL JV	India	90.00%	90.00%
	xviii	KEC – TNR INFRA JV	India	51.00%	51.00%
	xix	KEC – SMC JV	India	51.00%	51.00%
	xx	KEC – WATERLEAU JV	India	51.00%	51.00%
	xxi	KEC – CCECC JV (RAILWAY)	India	74.00%	74.00%
	xxii	KEC – CCECC JV (CIVIL)	India	74.00%	74.00%
	xxiii	CCECC – KEC JV (CIVIL)	India	98.50%	98.50%
	xxiv	LONGJIAN – KEC JV	India	98.50%	98.50%
	xxv	MBPL – KEC JV	India	49.00%	49.00%
	xxvi	VNC – KEC JV	India	49.00%	49.00%
	xxvii	HCC – KEC CONSORTIUM	India	49.00%	49.00%
	xxviii	KEC – VNC CONSORTIUM	India	50.00%	50.00%
	xxix	KEC – SPML JV			
		a) KEC – SPML JV (Rayagada and Ganjam Project Civil)	India	70.00%	70.00%
		b) KEC - SPML JV (Nayagarh and Bargarh Project Civil)	India	95.00%	-
	xxx	KEC-HMM INFRA JV	India	80.00%	-
	xxxi	KEC – EMRAIL JV	India	74.00%	-

b) (i) KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Limited', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which hold 48.90% in Al Sharif JV. Al Sharif JV is a "Subsidiary" of the Company under the Companies Act, 2013. However, based on the control assessment under Ind AS, considering the nature of arrangement, Al Sharif JV has been classified as jointly controlled operation.

In addition to this, Al Sharif JV is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself, the internal agreements (contractual arrangements) entered into between the parties to the joint arrangements for the execution of projects (turnkey contracts) reverses or modifies the rights and obligations conferred by the legal form and establishes and define their respective rights and obligations on these projects. As per these contractual arrangements, the parties to the joint arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Notes

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ii) The Group account for assets, liabilities, revenue and expenses relating to its interest in jointly controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects, which in some cases are different than the ownership interest disclosed above. Accordingly, the Group has recognised its share in total income from operations ₹2,280.49 crore (for the year ended March 31, 2022 ₹1,346.18 crore), total expenditure (including tax) ₹ 2,209.20 crore (for the year ended March 31, 2022 ₹ 1,332.01 crore), total assets as at March 31, 2023 ₹ 2,083.08 crore (as at March 31, 2022 ₹ 1,251.99 crore) and total liabilities as at March 31, 2023 ₹1,805.99 crore (as at March 31, 2022 ₹ 1,063.23 crore) in Jointly Controlled Operations.

iii) Apart from the Joint Venture (JV) agreements disclosed above in note no. 51 (a) The Group has entered into certain Joint Venture (JV) agreements with other entities for execution of various projects. Though the legal form of all these joint arrangements is a "joint venture", these JVs are not jointly controlled by both the parties as per the requirements of "IND-AS 111 - Joint Arrangements". The work is carried out by each JV partner based on the scope defined for respective parties. Accordingly, the Group has recognised revenue, expenses, assets and liabilities related to its own share of work in standalone financial statements and respective financial statements of these JVs are not considered for the purpose of consolidation.

iv) Figures in respect of the Company's Jointly Controlled Operations as mentioned above, have been incorporated on the basis of financial statements audited by the auditors of the respective Jointly Controlled Operations.

NOTE 52 - REVENUE FROM CONTRACTS WITH CUSTOMERS

52.1 Disaggregation of revenue from contracts with customers

The Group has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Group derives revenue from the transfer of goods and services 'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract in the following major product lines and geographical regions:

₹ in Crore

For the year ended March 31, 2023	Transmission & Distribution	Railways	Civil	Cables	Solar	Oil and Gas	Total
Segment revenue							
- India	2,375.38	3,916.47	4,313.15	1,469.71	4.74	511.29	**12,590.74**
- UAE	718.09	-	-	0.95	4.73	-	**723.77**
- Brazil, Mexico & USA	1,314.40	-	-	-	-	-	**1,314.40**
- Geographies other than above	4,934.91	-	-	122.24	-	-	**5,057.15**
Less: Inter-segment (SBU) revenue							
- India	12.61	256.09	1,009.90	460.66	-	172.87	**1,912.13**
- UAE	192.87	-	-	-	4.73	-	**197.60**
- Brazil, Mexico & USA	41.17	-	-	-	-	-	**41.17**
- Geographies other than above	538.36	-	-	-	-	-	**538.36**
Revenue from external customers	**8,557.77**	**3,660.38**	**3,303.25**	**1,132.24**	**4.74**	**338.42**	**16,996.80**
Timing of revenue recognition							
- At a point in time	1,145.77	-	6.57	1,132.24	3.07	-	**2,287.65**
- Over time	7,412.00	3,660.38	3,296.68	-	1.67	338.42	**14,709.15**
	8,557.77	**3,660.38**	**3,303.25**	**1,132.24**	**4.74**	**338.42**	**16,996.80**

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₹ in Crore

For the year ended March 31, 2022	Transmission & Distribution	Railways	Civil	Cables	Solar	Oil and Gas	Total
Segment revenue							
- India	2,530.68	4,235.51	2,470.09	1,372.87	15.50	180.74	**10,805.39**
- UAE	232.50	-	-	0.43	-	-	**232.93**
- Brazil, Mexico & USA	820.10	-	-	-	-	-	**820.10**
- Geographies other than above	3,614.18	-	-	113.90	0.01	-	**3,728.09**
Less: Inter-segment (SBU) revenue						-	
- India	34.18	381.06	582.42	628.13	-	5.25	**1,631.04**
- UAE	44.84	-	-	-	-	-	**44.84**
- Brazil, Mexico & USA	0.45	-	-	-	-	-	**0.45**
- Geographies other than above	396.39	-	-	-	-	-	**396.39**
Revenue from external customers	**6,721.60**	**3,854.45**	**1,887.67**	**859.07**	**15.51**	**175.49**	**13,513.79**
Timing of revenue recognition							
- At a point in time	531.90	-	2.68	859.07	6.85	-	**1,400.50**
- Over time	6,189.70	3,854.45	1,884.99	-	8.66	175.49	**12,113.29**
	6,721.60	**3,854.45**	**1,887.67**	**859.07**	**15.51**	**175.49**	**13,513.79**

The Group recognised revenue amounting to ₹ 500.04 crore (for the year ended March 31, 2022, ₹ 351.62 crore) in the current reporting period that was included in the Amount due to customers for contract works balance i.e. contract liabilities as at March 31, 2022.

52.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period March 31, 2023 is ₹ 30,951 crore (for the year ended March 31, 2022, ₹ 23,716 crore). On an average, transmission, distribution, railway and civil composite contracts have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 50% to 60% of the transaction price allocated to unsatisfied contracts as of March 31, 2023 will be recognised as revenue during next reporting period depending upon the progress on each contract. The remaining amount is expected to be recognised in subsequent years, largely in year 2. The amount disclosed above does not include variable consideration.

52.3 There are no reconciliation items of revenue recognised from contracts with customers and contract price.

52.4 In case of EPC projects, where the goods are procured from a third party, the Group makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Group is significantly involved in designing and manufacturing the procured material and/or there is no significant time gap involved between transfer of control and installation, there is no impact on revenue recognized. There is significant judgement involved in making this assessment.

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NOTE 53 - LEASES

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The Balance sheet shows the following amounts relating to leases:		
Right of use assets (Refer note 6)		
Buildings	62.99	78.72
Plant & Machinery	0.12	0.56
Vehicles	-	0.06
Land	151.46	151.98
	214.57	**231.32**
Lease liabilities		
Current (Refer note 32)	25.75	34.46
Non-current (Refer note 27)	163.17	167.44
	188.92	**201.90**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(ii) Amounts recognised in statement of profit and loss		
Depreciation charge on Right of use assets (Refer note 6)		
Buildings	14.13	16.13
Plant & Machinery	0.46	1.15
Vehicles	0.07	0.31
Land	8.83	7.47
	23.49	**25.06**
(iii) Interest expense included in finance cost	10.27	6.78
(iv) Expense relating to short-term leases (included in other expenses)	57.22	44.61
(v) Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
(vi) Expense relating to variable lease payments not included in lease liability	-	0.01
(vii) Amount recognised in profit and loss arising from rent concessions (Refer note 53.1) - (gain) / loss	-	-

(a) Total cash outflow for leases during current financial year is ₹ 30.09 crore (previous year ₹27.15 crore)

(b) Additions to the right of use assets during the current financial year is ₹ 0.21 crore (previous year ₹78.71 crore)

(c) There are no sale & leaseback transactions.

(d) Payments associated with short-term leases of equipment, vehicles and all leases of low-value assets are recognised on straight line basis as an expense in profit or loss.

(e) Short term leases are leases with a lease of 12 months or less. There are no low value assets during the current year.

(f) When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate. The weighted average incremental borrowing rate applied is 5.87% (Previous year: 5.87%)

Note 53.1

The Group has applied the practical expedient for all qualifying rent concessions and the concessions have been accounted as variable lease payments in the period in which they are granted.

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NOTE 54 - CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 26 and 31 offset by cash and bank balances in Notes 18 and 19) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Gearing ratio

The gearing ratio at end of the reporting period is as follows :

₹ in Crore

Particulars		As at March 31, 2023	As at March 31, 2022
Debt *	A	3,404.76	3,076.82
Cash and bank balances	B	281.16	207.63
Net debt (C)	C=A-B	3,123.60	2,869.19
Total equity	D	3,771.42	3,619.93
Net debt to equity ratio (E)	**E=C/D**	**0.83**	**0.79**

** Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in Notes 26 and 31 and includes interest accrued thereon and lease liabilities as per Note 27 and 32.*

During the year ended March 31, 2023, the Group has paid the final dividend of ₹4.00 per equity share for the year ended March 31, 2022 amounting to ₹ 102.83 crore.

The Board of directors, at their meeting held on May 03, 2023 recommended the final dividend of ₹3.00 per equity share for the year ended March 31, 2023, subject to approval from shareholders. On approval, the total dividend outgo is expected to be ₹ 77.13 crore based on number of shares outstanding as at March 31, 2023.

NOTE 55 - DISCLOSURE AS PER IND AS 107

A Fair Value Measurement

I. Category-wise classification of financial assets and financial liabilities

₹ in Crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Non-current investment						
- Investment in equity instruments	-	*	-	-	*	-
- Investment in commercial paper	-	-	-	12.64	-	-
Trade receivables	-	-	7,255.36	-	-	5,573.79
Cash and bank balances	-	-	344.16	-	-	261.94
Loans	-	-	-	-	-	-
Other financial assets						
- Derivative instruments						
i) Foreign currency forward contracts	3.12	3.57	-	15.84	4.93	-
ii) Over the counter (OTC) commodity derivative contracts	-	8.27	-	-	7.55	-
- Others	-	-	225.86	-	-	126.45

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₹ in Crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial liabilities						
Borrowings (including interest accrued)	-	-	3,215.84	-	-	2,874.92
Trade payables	-	-	8,388.33	-	-	6,847.33
Other financial liabilities						
- Derivative instruments						
i) Foreign currency forward contracts	3.91	7.64	-	1.81	0.72	-
ii) Over the counter (OTC) commodity derivative contracts	-	4.36	-	-	0.34	-
- Others	-	-	205.79	-	-	228.42

** less than rounding off norms adopted by the group.*

‘ FVPL - Fair Value Through Profit or Loss

‘ FVOCI - Fair Value Through Other Comprehensive Income

II. Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Non-current financial assets				
Trade receivables	359.30	359.30	467.69	467.69
Other Financial Assets	76.20	76.20	41.03	41.03
Non current financial liabilities				
Borrowings	493.16	493.16	393.26	393.26
Lease liabilities	163.17	163.17	167.44	167.44

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

III. Assets and liabilities which are measured at FVPL or FVOCI

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Fair value of the Group’s financial assets and financial liabilities are measured on a recurring basis at the end of each reporting period.

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The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crore

Financial assets/ financial liabilities	Fair values as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2023	March 31, 2022		
1) Investment in commercial paper	Asset- Nil	Asset- ₹ 12.64	Level 2	Use of quoted market prices
2) Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships)	Asset ₹ 3.12	Asset- ₹ 15.84	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate.
3) Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships)	Liability- ₹ 3.9	Liability- ₹1.81	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate.
4) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts)	Asset - ₹ 3.57	Asset- ₹ 4.93	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate.
5) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts)	Liability- ₹ 7.64	Liability ₹ 0.72	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate.
6) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts)	Asset - ₹ 8.27	Asset ₹ 7.55	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a USD funding rate.
7) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts)	Liability ₹ 4.36	Liability- ₹ 0.34	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at a USD funding rate.

B Financial risk management

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

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55B.1 Market risk

The Group seeks to minimise the effects of currency risk and commodity price risk by using derivative and non derivative financial instruments to hedge risk exposures. The Group has Risk Management Policies to mitigate the risks in commodity and foreign exchange. The use of financial derivatives and non-derivatives is governed by the Company's policies approved by the Board of Directors (BOD), which provide written principles to use financial derivatives and non-derivative financial instruments, to hedge currency risk and commodity price risk. The Group does not enter into or trade financial instruments, including derivative financial instruments and non-derivative financial instruments, for speculative purposes.

The Treasury Department prepares and submits the report on performance along with the other details relating to forex and commodity transaction to the Risk Management Committee. The periodical forex management report and commodity risk report as reviewed and approved by the Risk Management Committee is placed before the Audit Committee for review.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates [refer Notes 55B.1(a) and 55B.1(b) below] and commodity prices (refer Note 55C below). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- foreign currency forward contracts to hedge the exchange rate risk arising from execution of international projects.
- Commodity Over the Counter (OTC) derivative contracts to hedge the price risk for base metals such as Copper, Aluminium, Zinc and Lead.

Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the approved guidelines set by the Board of Directors .

(a) Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions in various currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows.

Following is the foreign currency exposure of the Group :

Particulars	USD	BRL	EUR	SAR	Others	Total
As at March 31, 2023						
Assets	2,516.57	225.81	500.34	729.48	1,222.93	**5,195.13**
Less: Hedged through forward contracts	227.48	-	-	-	262.21	**489.69**
Net Assets (i)	**2,289.09**	**225.81**	**500.34**	**729.48**	**960.72**	**4,705.44**
Liabilities	(1,579.05)	(710.95)	(23.03)	(341.53)	(652.69)	**(3,307.25)**
Less: Hedged through forward contracts	-	-	-	-	(4.12)	**(4.12)**
Net Liabilities (ii)	**(1,579.05)**	**(710.95)**	**(23.03)**	**(341.53)**	**(648.57)**	**(3,303.13)**
Net exposure (i)+(ii)	**710.04**	**(485.14)**	**477.31**	**387.95**	**312.15**	**1,402.31**
As at March 31, 2022						
Assets	2,189.30	167.81	633.18	244.69	1,380.18	**4,615.16**
Less: Hedged through forward contracts	433.79	-	-	-	163.33	**597.12**
Net Assets (i)	**1,755.51**	**167.81**	**633.18**	**244.69**	**1,216.85**	**4,018.04**
Liabilities	(1,703.80)	(691.28)	(205.03)	(2.81)	(723.43)	**(3,326.35)**
Less: Hedged through forward contracts	(2.18)	-	-	-	(0.63)	**(2.81)**
Net Liabilities (ii)	**(1,701.62)**	**(691.28)**	**(205.03)**	**(2.81)**	**(722.80)**	**(3,323.54)**
Net exposure (i)+(ii)	**53.89**	**(523.47)**	**428.15**	**241.88**	**494.05**	**694.50**

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Sensitivity for above net exposures:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from financial instruments in the books of foreign operations whose Functional currency is other than INR.

5% appreciation / depreciation in the foreign currency will have following impact on profit / (loss) before tax and equity [gains / (losses)]:

₹ in Crore

Exposure to currencies	Change in rate	Impact on profit before tax		Impact on equity	
		For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD	+5%	25.59	(5.80)	9.91	8.49
	-5%	(25.59)	5.80	(9.91)	(8.49)
BRL	+5%	-	-	(24.26)	(26.17)
	-5%	-	-	24.26	26.17
EUR	+5%	24.09	22.13	(0.22)	(0.72)
	-5%	(24.09)	(22.13)	0.22	0.72
SAR	+5%	(0.22)	(0.30)	19.62	12.40
	-5%	0.22	0.30	(19.62)	(12.40)
Others	+5%	13.59	48.35	2.02	(2.24)
	-5%	(13.59)	(48.35)	(2.02)	2.24

(b) Interest rate risk management

The Group is exposed to interest rate risk because the Group borrows funds at both fixed and floating interest rates. The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt. While most of the Group's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk, a major portion of foreign currency debt is linked to international interest rate benchmarks like SOFR.

Group's rupee borrowings are linked to variability in Bank MCLR rate, repo rate and T bill rates.

The Group's exposures to interest rates changes at the end of the reporting period are as follows :

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate instruments	1,260.32	1,152.01
Fixed rate instruments	4,047.19	3,862.51
	5,307.51	**5,014.52**

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's :

Profit for the year ended March 31, 2023 would decrease/increase by ₹6.30 crore (for the year ended March 31, 2022 : decrease/increase by ₹5.76 crore). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

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(c) Commodity price risk

The Group is exposed to movement in metal commodity prices of Copper, Aluminium, Zinc and Lead. Most of the Group's contracts with the Indian customers are backed by a price variation for most of these metals. However, profitability in case of firm price orders is impacted by movement in the prices of these metals. The Group has a well defined hedging policy approved by Board of Directors of the Company, which to a large extent takes care of the commodity price fluctuations and minimizes the risk. For base metals like Aluminium, Copper, Zinc and Lead, the Group either places a firm order on the supplier or hedges its exposure on the London Metal Exchange (LME) directly.

55B.2 Liquidity risk management

The Board of Directors of the Company have established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are linked to floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Crore

Particulars	Less than 1 year	1-3 Years	3-5 Years	More than 5 year	Total	Carrying Amount
As at March 31, 2023						
Interest bearing liabilities	2,775.39	398.15	165.84	-	3,339.38	**3,215.85**
Lease liabilities	22.05	52.61	38.67	166.06	279.39	**188.92**
Trade payables	8,388.33	-	-	-	8,388.33	**8,388.33**
Other financial liabilities	32.78	-	-	-	32.78	**32.78**
Total	**11,218.55**	**450.76**	**204.51**	**166.06**	**12,039.88**	**11,825.87**
As at March 31, 2022						
Interest bearing liabilities	2,481.66	347.64	45.62	-	2,874.92	**2,874.92**
Lease liabilities	37.24	51.87	40.26	175.36	304.73	**201.90**
Trade payables	6,847.33	-	-	-	6,847.33	**6,847.33**
Other financial liabilities	29.39	-	-	-	29.39	**29.39**
	9,395.62	**399.51**	**85.88**	**175.36**	**10,056.37**	**9,953.54**

The Group has access to various fund/non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments is ₹ 9,180.70 crore as at March 31, 2023 (₹ 8,737.69 crore as at March 31, 2022).

55B.3 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Group's major customers includes government bodies and public sector undertakings. Further, many of the International projects are funded by the multilateral agencies such as World Bank, African Development Bank, Asian Development Bank, etc. For private customers, the Group evaluates the creditworthiness based on publicly available financial information and the Group's historical experiences. The Group's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers. Group doesn't have significant financing component in the contracts with custmers.

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The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amounts of financial assets are net of an allowance for doubtful accounts, estimated by the Group and based, in part, on the age of specific receivable balance and the current and expected collection trends. When assessing the credit risk associated with its receivables, the Group also considers the other financial and non-financial assets and liabilities recognized within the same project to provide additional indications on the Group's exposure to credit risk. As such, in addition to the age of its Financial Assets, the Group also considers the age of its contracts in progress, as well as the existence of any deferred revenue or down payments on contracts on the same project or with the same client.

The Group has used practical expedient by computing expected credit loss allowance for trade receivable and contract assets by taking into consideration payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit loss experiences within this period for each Strategic Business Unit (SBU). The historical loss rates are adjusted to reflect current and forward looking information taking into account the macro economic factors affecting the ability of the customers to settle the receivables. The expected credit loss is based on the ageing of the days, the receivables due and the expected credit loss rate. In addition, in case of event driven situation as litigations, disputes, change in customer's credit risk history, specific provisions are made after evaluating the relevant facts and expected recovery.

Refer note 11, 12, 17 and 21 for ECL provisioning and its movement on financial assets carried at amortised cost.

Company estimates the following provision matrix at the reporting date.

Particulars	Expected Credit Loss (ECL)%	
	March 31, 2023	March 31, 2022
Not Due	0.04% to 1.00%	0.05% to 0.75%
From 0 to 6 Months	0.15% to 3.75%	0.10 to 0.75%
6 Months to 1 Year	0.35% to 15.50%	0.50% to 13.00%
1 Year to 2 year	0.90% to 50.00%	1.5% to 42.70%
2 year to 3 year	10.00% to 80.00%	3.60% to 77.50%
More than 3 year	25.00% to 100.00%	3.60% to 100.00%

Concentration risk: As at the year ended March 31, 2023 only one customer is exceeding 10% of the Group's total trade receivables, which was one as at March 31, 2022.

In addition the Group is exposed to credit risk in relation to financial guarantees given by the Group on behalf of its jointly controlled operations (net of Company's share). The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on (net of Company's share in jointly controlled operations), as at March 31, 2023 is ₹ 245.10 crores (as at March 31, 2022; ₹ 84.33 crore). These financial guarantees have been issued to the banks / customers on behalf of the jointly controlled operations under the agreements entered into by the jointly controlled operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Group considers the likelihood of any claim under the guarantee is remote.

Cash and cash equivalents:

The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating.

Derivatives:

The derivatives are entered into with bank and financial institution counterparties with good credit rating.

Other financial assets:

Other financial assets are neither past due nor impaired.

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55C Derivative Financial instruments

The Group has adopted a Risk Management Policy approved by the Board of Directors of the Company for managing foreign currency exposure. The policy enumerates the mechanism for Risk Identification, Risk Measurement and Risk Monitoring. The policy has approved a set of financial instruments for hedging foreign currency risk. The Group mainly uses forward contracts to manage the foreign currency risk.

(a) The following table details the non deignated foreign currency (FC) forward contracts, outstanding at the end of the reporting period.

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets / (liabilities) (₹ in Crore)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Buy USD/INR						
Less than 3 months	-	0.03	-	2.16	-	(0.01)
Sell USD/INR						
Less than 3 Months	-	1.66	-	125.87	-	1.13
3 to 6 months	2.37	1.10	194.62	83.42	2.24	0.44
More than 6 Months	0.40	8.23	32.87	623.67	0.16	2.90
Sell EURO/ USD						
Less than 3 Months	-	0.86	-	72.54	-	1.30
3 to 6 months	-	-	-	-	-	-
More than 6 Months	-	1.64	-	138.03	-	4.13
Sell EURO/ INR						
Less than 3 Months	0.65	1.24	57.97	104.48	(1.46)	3.58
3 to 6 months	0.80	-	71.49	-	0.65	-
More than 6 Months	1.49	0.91	132.74	76.73	(2.19)	1.10
Buy EURO/ INR						
Less than 3 Months	0.24	0.01	21.78	0.66	0.06	(0.00)
3 to 6 months	0.05	-	4.12	-	0.01	-
Buy JPY/INR						
Less than 3 months	18.88	-	11.65	-	(0.26)	-
BUY JPY/USD						
Less than 3 months	-	0.62	-	0.39	-	(0.91)
3 to 6 months	-	0.57	-	0.35	-	(0.62)
Buy USD/ BRL						
Less than 3 Months	0.19	0.11	15.42	8.10	0.86	0.99
					0.07	**14.03**

The line-items in the balance sheet that include the above instruments are “Other financial assets” and “Other financial liabilities”.

For the year ended March 31, 2023, the aggregate amount of realised gain under foreign currency forward contracts recognised in the Consolidated Statement of Profit and Loss is ₹10.46 crore (for the year ended March 31, 2022 : ₹ 61.18 crore).

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(b) The Group has designated following forward contracts as cash flow hedges which are outstanding as under:

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets / (liabilities) (₹ in Crore)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Sell USD/INR						
Less than 3 Months	3.98	0.60	326.93	45.47	(6.08)	0.73
3 to 6 Months	2.81		230.99		(0.53)	
More than 6 Months	0.50	1.10	41.08	83.37	0.23	0.93
Buy USD/INR						
Less than 3 months	1.20	0.80	98.60	60.63	(0.17)	(0.35)
Sell EUR/INR						
Less than 3 months	-	0.40	-	33.64	-	3.19
More than 6 Months	1.80	1.00	160.84	84.10	1.62	(0.29)
				Total	**(4.93)**	**4.21**

The line-items in the balance sheet that include the above instruments are "Other Financial Assets" and "Other financial Liabilities"

The effect of cash flow hedge in the Consolidated Statement of Profit and Loss and Other Comprehensive Income is as follows:

₹ in Crore

Year	Risk Hedged	Opening Balance	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss (loss)/ gain	Amount reclassified from cash flow hedging reserve to statement of profit and (loss) / gain	Closing Balance	Line item affected in statement of profit and loss because of the reclassification
March 31, 2023	Foreign exchange risk	4.17	(17.51)	(0.08)	(8.24)	(5.02)	Revenue
	Less Deferred tax on above	1.05	(4.41)	(0.02)	(2.07)	(1.27)	
	Net Balance	**3.12**	**(13.10)**	**(0.06)**	**(6.17)**	**(3.75)**	
March 31, 2022	Foreign exchange risk	11.70	5.62	0.03	13.11	4.18	Revenue
	Less Deferred tax on above	2.94	1.41	0.01	3.30	1.04	
	Net Balance	**8.76**	**4.21**	**0.02**	**9.81**	**3.14**	

Amount lying in Cash flow hedge reserve will be reclassified to Consolidated Statement of Profit and Loss account within 12 months.

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(c) **Outstanding commodity contracts :**

Cash flow hedges (Buy Commodity Contracts)			Foreign currency (USD in Crore)				Nominal Amount (₹ in Crore)				Fair value assets / (liabilities) (₹ in Crore)			
		Type	Aluminium	Copper	Zinc	Lead	Aluminium	Copper	Zinc	Lead	Aluminium	Copper	Zinc	Lead
As at March 31, 2023	Less than 3 months	Buy	2.65	1.31	0.45	0.03	213.30	105.42	35.97	2.08	2.01	1.48	(0.41)	(0.05)
	3 to 6 months	Buy	1.33	0.30	0.43	-	107.00	24.09	34.83	-	(0.17)	0.50	0.44	-
	More than 6 months	Sell	(0.25)	-	0.09	-	(20.10)	-	6.95	-	0.08	-	0.06	-
As at March 31, 2022	Less than 3 months	Buy	0.39	1.22	-	0.07	29.07	90.58	-	5.20	0.64	4.74	-	0.24
	3 to 6 months	Buy	0.05	0.17	-	0.05	3.70	12.95	-	3.44	0.21	1.14	-	0.26

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

(₹ in Crore)

Year	Risk hedged	Opening Balance	Change in the value of the hedging instrument recognised in other comprehensive income/(loss)	Hedge ineffectiveness recognised in statement of profit and loss gain / (loss)	Amount reclassified from cash flow hedging reserve to statement of profit and loss gain/ (loss)	Closing Balance	Line item affected in statement of profit and loss because of the reclassification
March 31, 2023	Commodity price risk	6.99	(58.68)	(1.23)	(55.60)	5.14	Cost of materials consumed
	Less Deferred Tax on above	1.76	(14.80)	(0.31)	(13.99)	1.26	
	Net Balance	**5.23**	**(43.88)**	**(0.92)**	**(41.61)**	**3.88**	
March 31, 2022	Commodity price risk	1.84	36.68	0.38	31.15	6.99	Cost of materials consumed
	Less Deferred Tax on above	0.46	9.23	0.10	7.84	1.75	
	Net Balance	**1.38**	**27.45**	**0.28**	**23.31**	**5.24**	

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NOTE 56 - EMPLOYEE BENEFIT PLANS

Brief description of the plans

1 Defined contribution plans

(A) Superannuation

All eligible employees are entitled to benefits under Superannuation, a defined contribution plan. The Group makes yearly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(B) Provident Fund

The Group makes contribution to respective regional provident fund commissioners in relation to the workers employed at factories located at Butibori, Jaipur, Jabalpur, Mysore, Vadodara & employees of a subsidiary KEC SPUR Infrastructure Private Limited. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(C) Employees' State Insurance Corporation

The Group makes contribution towards Employees State Insurance scheme operated by ESIC Corporation. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(D) Foreign Defined Contribution Plan

All eligible employees at Overseas subsidiaries are entitled under Foreign Defined Pension Fund. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(E) Provident Fund related to KEC International, Malaysia SDN BHD

The Company makes contribution to local authorities in Malaysia in relation to the Malaysian citizens who are on the rolls of KEC International, Malaysia SDN BHD. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

2 Defined Benefit Plans

(A) Gratuity

(i) Company, its Jointly Controlled Operations in India & KEC SPUR Infrastructure Private Limited

The Company, its jointly controlled operations (JCO) (i.e. CCECC-KEC JV, Longjian-KEC JV, KEC CCECC JV & VNC - KEC JV) & subsidiary in India (i.e. KEC SPUR Infrastructure Private Limited - KEC Spur) has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of the Gratuity scheme of the Company/JCOs in India/KEC Spur or as per payment of the Gratuity Act, 1972 whichever is higher. Vesting occurs upon completion of four years & 240 days of service.

The Company has set up an income tax approved trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The Company makes contribution to the plan. There are no minimum funding requirement for the plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Besides this, if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

(ii) Jointly Controlled operation in Saudi (Al Sharif JV)

The Jointly Controlled Operation has an obligation towards an unfunded defined benefit retirement plan i.e. End Service Benefit plan, (akin to gratuity) covering eligible employees. The benefits payable are as under:

For Service Less Than 5 years	1/2 * Service * Applicable salary
For Service more Than 5 years	First Five Years: 1/2 * Service * Applicable Salary Beyond 5 Years: Service * Applicable Salary

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2023.

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(iii) Overseas subsidiaries - SAE Towers México, S. de R.L. de C.V. (SAE Towers Mexico)

The subsidiaries have an unfunded retirement benefit and severance benefit plan, as per the requirement of Local Federal Labor Law. The benefit consists of amount to be paid to employees in case of death, disability and separation from the subsidiaries, according to the Articles 49, 50 and 162 of the Local Federal Labor Law.

(iv) Overseas subsidiary - KEC International, Malaysia SDN BHD (KEC Malaysia)

The defined benefit plan i.e. Gratuity Plan, provides for lump sum payment to vested employees on resignation/ termination or retirement and on death while in employment, an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months in terms of gratuity scheme provided by the subsidiary company or as per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

(v) Overseas subsidiary - KEC Towers LLC & KEC EPC LLC

The overseas subsidiary at Dubai i.e. KEC Towers LLC & KEC EPC LLC have an obligation towards an unfunded defined benefit retirement plan (akin to gratuity) covering eligible employees. The benefits are payable on completion of 1 year of service & are as under:

For Service Less Than 5 years	21 /30 * applicable salary * no. of years of service
For Service more Than 5 years	1* applicable Salary * no. of years of service

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2023.

(B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees, other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

The above defined plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Details of defined contribution plan

The Group has recognised following amounts in the statement of profit and loss:

₹ in Crore

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Superannuation Fund	1.86	0.91
Provident Fund	5.31	1.60
Employees' Pension Scheme	8.86	8.55
Employees' State Insurance Corporation	0.12	0.14
Admin charges - PF, ESIC	0.96	0.73
Foreign Defined Contribution Plan (Provident fund)	2.18	2.26

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Details of defined benefit plans

(A) Gratuity

₹ in Crore

		Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
I		**Components of defined benefit cost**		
	1	Current service cost	8.71	6.89
	2	Past service cost	0.14	-
	3	Interest cost on defined benefit obligation (Net)	0.34	(0.35)
	A	**Total expenses included in Statement of Profit and Loss (P&L)**	9.19	6.54
	4	Actuarial changes arising from changes in demographic assumptions	1.85	(0.04)
	5	Actuarial changes arising from changes in financial assumptions	(4.10)	(2.26)
	6	Actuarial changes arising from changes in experience adjustments	2.21	(1.61)
	7	Return on Plan Assets (excluding interest income)	0.79	(0.25)
	B	**Total recognized in Other Comprehensive Income (OCI)**	0.75	(4.16)
	C	**Total defined benefit cost recognized in P&L and OCI**	9.94	2.38
II		**Actual Contribution and Benefits Payments for the year**		
	1	Actual Benefits Payments	(6.86)	(4.31)
	2	Actual Contributions	3.93	2.30
III		**Net asset/(liability) recognized in the Balance Sheet**		
	1	Present Value of Defined Benefit Obligations	(66.26)	(60.51)
	2	Fair Value of Plan Assets	49.92	50.17
	3	Exchange fluctuation on account of conversion of Jointly Controlled operations	(3.84)	(2.53)
	4	Net asset / (liability) recognized in the Balance Sheet	(20.18)	(12.87)
IV		**Change in Present Value of Defined Benefit Obligation during the year**		
	1	Present Value of Defined Benefit Obligation as at the beginning of the year	60.51	58.43
	2	Plan Liability acquired during the year	-	0.34
	3	Current Service Cost	8.71	6.89
	4	Past Service Cost	0.14	-
	5	Interest Cost	3.80	3.07
	6	Benefits paid including direct payment	(6.86)	(4.31)
	7	Actuarial changes arising from changes in demographic assumptions	1.85	(0.04)
	8	Actuarial changes arising from changes in financial assumptions	(4.10)	(2.26)
	9	Actuarial changes arising from changes in experience adjustments	2.21	(1.61)
	10	Present Value of Defined Benefit Obligations as at the end of the year	66.26	60.51
V		**Change in Fair Value of Plan Assets during the year**		
	1	Plan Assets as at the beginning of the year	50.17	48.15
	2	Plan Assets acquired during the year	-	0.32
	3	Interest Income	3.47	3.45
	4	Actual Company Contributions	3.93	2.30
	5	Benefits paid	(6.86)	(4.31)
	6	Expected return on Plan Assets (excluding interest income)	(0.79)	0.26
	7	Plan Assets as at the end of the year	49.92	50.17

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Particulars			As at March 31, 2023	As at March 31, 2022
VI-A Actuarial Assumptions (Considered for the Company)				
1	Discount Rate		7.40%	6.90%
2	Expected Return on plan assets		7.40%	6.90%
3	Salary escalation Rate		8.00%	8.00%
4	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
5	Disability		**5% of Mortality Rate**	
6	Withdrawal (Rate of Employee Turnover)	Upto 30 years	23.00%	17.00%
		31-44 years	13.00%	12.00%
		45 years and above	6.00%	11.00%
VI-B Actuarial Assumptions (Considered for Jointly Controlled Operation in Al Sharif JV)				
1	Discount Rate		5.10%	2.75%
2	Salary escalation Rate		7.00%	7.00%
3	Mortality Table		**Implicit in Withdrawal**	
4	Disability		**Implicit in Withdrawal**	
5	Withdrawal (Rate of Employee Turnover)	Managers (M0 to M6)	10.00%	10.00%
		Others	10.00%	15.00%
VI-C Actuarial Assumptions (Considered for Jointly Controlled Operation CCECC-KEC JV)				
1	Discount Rate		7.50%	7.30%
2	Salary escalation Rate		8.00%	8.00%
3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
4	Disability		**5% of Mortality Rate**	
5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.50%	7.00%
		31-44 years	7.50%	7.00%
		45 years and above	7.50%	7.00%
VI-D Actuarial Assumptions (Considered for Jointly Controlled Operation Longjian-KEC JV)				
1	Discount Rate		7.60%	7.50%
2	Salary escalation Rate		8.00%	8.00%
3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
4	Disability		**5% of Mortality Rate**	
5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.50%	7.00%
		31-44 years	7.50%	7.00%
		45 years and above	7.50%	7.00%
VI-E Actuarial Assumptions (Considered for Jointly Controlled Operation VNC-KEC JV)				
1	Discount Rate		7.60%	-
2	Salary escalation Rate		8.00%	-
3	Mortality Table		**Indian Assured Lives Mortality (IALM)**	
4	Disability		**5% of Mortality Rate**	
5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	17.00%	-
		31-44 years	12.00%	-
		45 years and above	11.00%	-
VI-F Actuarial Assumptions (Considered for Jointly Controlled Operation KEC-CCECC JV)				
1	Discount Rate		7.50%	-
2	Salary escalation Rate		8.00%	-
3	Mortality Table		**Indian Assured Lives Mortality (IALM)**	
4	Disability		**5% of Mortality Rate**	
5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	17.00%	-
		31-44 years	12.00%	-
		45 years and above	11.00%	-

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Particulars			As at March 31, 2023	As at March 31, 2022
VI-G Actuarial Assumptions (Considered for KEC SPUR Infrastructure Private Limited)				
1	Discount Rate		7.20%	7.20%
2	Expected Return on plan assets		7.20%	7.20%
3	Salary escalation Rate		8.00%	8.00%
4	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
5	Disability		**5% of Mortality rate**	
6	Withdrawal (Rate of Employee Turnover)	Upto 30 years	10.00%	10.00%
		31-44 years	10.00%	10.00%
		45 years and above	10.00%	10.00%
VI-H Actuarial Assumptions (Considered for overseas subsidiary at Mexico)				
1	Discount Rate		9.16%	7.96%
2	Salary escalation Rate		5.50%	5.60%
3	Mortality Table		**EMSSA 09**	
4	Disability Table		**ACTIMSS**	
5	Withdrawal (Rate of Employee Turnover)		30.00%	30.00%
VI-I Actuarial Assumptions (Considered for overseas subsidiary at Malaysia)				
1	Discount Rate		4.10%	3.70%
2	Salary escalation Rate		0.00%	0.00%
3	Mortality Table		**Mortality studies of Malaysian Assured Lives from 2011 to 2015**	
4	Disability		**5% of Mortality Rate**	
5	Withdrawal (Rate of Employee Turnover)	Managers	10.00%	10.00%
		Others	15.00%	15.00%
VI-J Actuarial Assumptions (Considered for overseas subsidiary - KEC Towers LLC, Dubai)				
1	Discount Rate		5.20%	3.70%
2	Salary escalation Rate		6.00%	6.00%
3	Mortality Table		**Implicit in withdrawal**	
4	Disability		**Implicit in withdrawal**	
5	Withdrawal (Rate of Employee Turnover)	Involuntary	0.00%	0.00%
		Voluntary	5.00%	5.00%
VI-K Actuarial Assumptions (Considered for overseas subsidiary - EPC LLC, Dubai)				
1	Discount Rate		4.90%	-
2	Salary escalation Rate		7.00%	-
3	Mortality Table		**Indian Assured Lives Mortality (ALM) (2006-08) (Modified) Ult**	
4	Disability		**5% of Mortality Rate**	
5	Withdrawal (Rate of Employee Turnover)	Involuntary	12.00%	-
		Voluntary	12.00%	-
VII	The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.			
VIII	**The major categories of Plan Assets of the Company as a percentage of the total plan assets**			
	Equity		4.43%	4.59%
	Debt		53.12%	42.40%
	Money Market Investments		42.45%	53.00%
IX	**The major categories of Plan Assets of the subsidiary KEC SPUR Infrastructure Private Limited as a percentage of the total plan assets**			
	Equity		0.00%	0.00%
	Debt		100.00%	100.00%
	Money Market Investments		0.00%	0.00%
	Mutual Fund		0.00%	0.00%

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Particulars		As at March 31, 2023	As at March 31, 2022
X	**Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2024 - ₹6.06 crore**		
XI	**Contribution expected to be paid to the Plan of the Subsidiary, KEC SPUR Infrastructure Private Limited during the year ended March 31, 2024 - ₹0.05 crore**		
XII	**Weighed Average duration of the Plan**		
	Considered for the Company	6 years	6 years
	Considered for Joint Operation in Al Sharif JV	7 years	7 years
	Considered for Jointly Controlled Operation - CCECC-KEC JV	10 years	11 years
	Considered for Jointly Controlled Operation - Longjian-KEC JV	11 years	12 years
	Considered for Jointly Controlled Operation - VNC-KEC JV	8 years	-
	Considered for Jointly Controlled Operation - KEC - CCECC JV	9 years	-
	Considered for Subsidiary - KEC SPUR Infrastructure Private Limited	6 years	9 years
	Considered for Subsidiary - KEC International, Malaysia SDN BHD	11 years	12 years
	Considered for Subsidiary - KEC Towers LLC	16 years	18 years
	Considered for Subsidiary - KEC EPC LLC	7 years	-

₹ in Crore

Maturity profile of defined benefit obligation		As at March 31, 2023	As at March 31, 2022
1	Year 1	7.57	8.00
2	Year 2	11.09	13.27
3	Year 3	9.80	9.39
4	Year 4	10.77	8.81
5	Year 5	11.75	9.07
6	Next 5 years	59.92	47.95

Financial assumptions sensitivity analysis (updated closing balance of present value of defined benefit obligation)		As at March 31, 2023	As at March 31, 2022
A.	Discount rate		
	Discount rate - 50 basis points	71.12	64.94
	Discount rate + 50 basis points	66.89	61.33
B.	Salary increase rate		
	Salary rate - 50 basis points	67.03	61.45
	Salary rate + 50 basis points	70.86	64.72
Demographic assumptions sensitivity analysis			
C.	Withdrawal Rate		
	Withdrawal Rate - 100 basis points	66.28	61.21
	Withdrawal Rate + 100 basis points	65.27	60.15

Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years and same data, method and assumptions have been used in preparing the sensitivity analysis which are used to determine period end defined benefit obligation.

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

XIII The following table shows a breakdown of the defined benefit obligation and plan assets of the Group:

(₹ in crore)

As at March 31, 2023 – Gratuity

	Particulars	Company	AI Sharif JV	CCECC-KEC JV	Longjian-KEC JV	VNC KEC JV	KEC CCECC JV	SAE Towers Mexico	KEC Malaysia	KEC Towers LLC	EPC LLC	KEC Spur	Total
(A)	Present value of obligation	54.22	10.24	0.31	0.41	0.05	0.13	3.18	0.04	1.01	0.12	0.39	70.10
(B)	Fair value of plan assets	49.44	-	-	-	-	-	-	-	-	-	0.48	49.92
(C)	**Total liability = (A) - (B)**	**4.78**	**10.24**	**0.31**	**0.41**	**0.05**	**0.13**	**3.18**	**0.04**	**1.01**	**0.12**	**(0.09)**	**20.18**

As at March 31, 2022 – Gratuity

	Particulars	Company	AI Sharif JV	CCECC-KEC JV	Longjian-KEC JV	SAE Towers Mexico	KEC Malaysia	KEC Towers LLC	KEC Spur	Total
(A)	Present value of obligation	49.84	9.23	0.32	0.32	2.40	0.03	0.57	0.33	**63.04**
(B)	Fair value of plan assets	49.80	-	-	-	-	-	-	0.37	**50.17**
(C)	**Total liability = (A) - (B)**	**0.04**	**9.23**	**0.32**	**0.32**	**2.40**	**0.03**	**0.57**	**(0.04)**	**12.87**

(B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Consolidated Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Crore

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Company's contribution to the provident fund	9.81	8.65

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

	Particulars	As at March 31, 2023	As at March 31, 2022
a.	Approach used	Deterministic	Deterministic
b.	Discount Rate	7.40%	6.90%
c.	Attrition Rate		
	Upto 30 years	23.00%	17.00%
	31 - 44 years	13.00%	12.00%
	45 years and above	6.00%	11.00%
d.	Weighted Average Yield	6.90%	7.17%
e.	Weighted Average YTM	6.90%	7.17%
f.	Reinvestment Period on Maturity	6 years	6 years
g.	Mortality Rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate	

3 Long term/short term employee benefits (Compensated Absences)

The long/short term employee benefits cover the Group's liability for sick and earned leave.

The amount of the provision is ₹39.53 crore (as at 31st March, 2022 ₹37.31 crore).

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 57 - RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

(A) Details of related parties with whom transactions have taken place

Key Management Personnel (KMP)

Mr. H. V. Goenka- Chairman
Mr. Vimal Kejriwal - Managing Director and CEO
Mr. Rajeev Aggarwal - Chief Financial Officer
Mr. A. T. Vaswani - Non-Executive Director
Mr. D. G. Piramal - Non-Executive Director
Mr. G.L. Mirchandani - Non-Executive Director
Ms. Nirupama Rao - Non-Executive Director
Mr. R. D. Chandak - Non-Executive Director
Mr. S. M. Trehan - Non-Executive Director
Mr.Vinayak Chatterjee - Non-Executive Director
Mr. Vikram Gandhi - Non-Executive Director
Mr. M. S. Unnikrishnan - Non-Executive Director

Post - employment benefit plan

KEC International Limited Employees' Group Gratuity Scheme
KEC International Limited - Provident Fund
KEC International Limited Superannuation Scheme

Entities where control / significant influence by KMPs and their relatives exists and with whom transactions have taken place

CEAT Limited
B. N. Elias & Co. LLP
Palacino Properties LLP
RPG Life Sciences Limited
RPG Enterprises Limited
Raychem RPG Private Limited
Ceat Speciality Tyres Limited
Harrisons Malayalam Limited
Spencers and Company Limited
Zensar Technologies Limited
Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)
Summit Securities Limited (holds 10.96 percent Equity Shares of the Company)

NOTE 57 - RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

(B) Transactions with the Related Parties

₹ in Crore

Transactions	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Sale of Products	**-**	**0.63**	**-**	**0.63**	**-**	**1.00**	**-**	**1.00**
CEAT Limited	-	0.42	-	**0.42**	-	-	-	**-**
Raychem RPG Private limited	-	0.21	-	**0.21**	-	1.00	-	**1.00**
Construction contracts revenue	**-**	**6.30**	**-**	**6.30**	**-**	**-**	**-**	**-**
RPG Life Sciences Limited	-	6.00	-	**6.00**	-	-	-	-
CEAT Limited	-	0.30	-	**0.30**	-	-	-	**-**
Sale of services	**-**	**0.10**	**-**	**0.10**	**-**	**0.06**	**-**	**0.06**
CEAT Limited	-	0.10	-	**0.10**	-	0.06	-	**0.06**
Services received	**-**	**37.13**	**-**	**37.13**	**-**	**35.70**	**-**	**35.70**
Raychem RPG Private limited	-	*	-	*	-	0.02	-	**0.02**
CEAT Limited	-	4.90	-	**4.90**	-	5.90	-	**5.90**
RPG Enterprises Limited	-	32.23	-	**32.23**	-	29.77	-	**29.77**
Breach Candy Hospital Trust	-	*	-	*	-	-	-	**-**
Harrisons Malayalam Limited	-	*	-	*	-	0.01	-	**0.01**
Rent Income	**-**	**0.29**	**-**	**0.29**	**-**	**0.28**	**-**	**0.28**
CEAT Limited	-	0.02	-	**0.02**	-	0.01	-	**0.01**
RPG Life Sciences Limited	-	0.06	-	**0.06**	-	0.06	-	**0.06**
Swallow Associates LLP	-	-	-	**-**	-	0.01	-	**0.01**
Summit Securities Limited	-	0.06	-	**0.06**	-	0.05	-	**0.05**
RPG Enterprises Limited	-	0.15	-	**0.15**	-	0.15	-	**0.15**
Purchase of goods	**-**	**10.00**	**-**	**10.00**	**-**	**16.14**	**-**	**16.14**
Harrisons Malayalam Limited	-	0.03	-	**0.03**	-	-	-	**-**
Raychem RPG Private limited	-	9.97	-	**9.97**	-	16.14	-	**16.14**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

₹ in Crore

Transactions	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Rent & maintenance charges paid	-	**4.59**	-	**4.59**	-	**4.42**	-	**4.42**
Palacino Properties LLP	-	0.28	-	**0.28**	-	0.28	-	**0.28**
Spencer and Company Limited	-	4.31	-	**4.31**	-	4.14	-	**4.14**
Compensation to Key Management Personnel							-	
Mr.Vimal Kejriwal - Managing Director & CEO	**8.69**	-	-	**8.69**	**8.17**	-	-	**8.17**
short-term employee benefits (including Bonus and value of perquisites)	8.28	-	-	**8.28**	7.80	-	-	**7.80**
post-employment benefits # $	0.41	-	-	**0.41**	0.37	-	-	**0.37**
Mr. Rajeev Aggarwal - Chief Financial Officer	**4.15**	-	-	**4.15**	**3.86**	-	-	**3.86**
short-term employee benefits (including Bonus and value of perquisites)	4.04	-	-	**4.04**	3.76	-	-	**3.76**
post-employment benefits # $	0.11	-	-	**0.11**	0.10	-	-	**0.10**
Sitting fees & Commission paid to Non-Executive Directors	**4.14**	-	-	**4.14**	**7.80**	-	-	**7.80**
Mr. H. V. Goenka	2.41	-	-	**2.41**	6.16	-	-	**6.16**
Mr. A. T. Vaswani	0.23	-	-	**0.23**	0.24	-	-	**0.24**
Mr. D. G. Piramal	0.17	-	-	**0.17**	0.18	-	-	**0.18**
Mr. G.L. Mirchandani	0.17	-	-	**0.17**	0.17	-	-	**0.17**
Ms. Nirupama Rao	0.18	-	-	**0.18**	0.17	-	-	**0.17**
Mr. R. D. Chandak	0.24	-	-	**0.24**	0.24	-	-	**0.24**
Mr. S. M. Trehan	0.24	-	-	**0.24**	0.24	-	-	**0.24**
Mr. Vinayak Chatterjee	0.17	-	-	**0.17**	0.06	-	-	**0.06**
Mr. Vikram Gandhi	0.16	-	-	**0.16**	0.16	-	-	**0.16**
Mr. M. S. Unnikrishnan	**0.17**	-	-	**0.17**	**0.18**	-	-	**0.18**
Purchase of Fixed Assets	-	**0.16**	-	**0.16**	-	-	-	
Zensar Technologies Limited	-	0.16	-	**0.16**	-	-	-	

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

₹ in Crore

Transactions	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Payments made/expenses incurred on behalf of related party	**-**	**-**	**-**	**-**	**-**	**0.27**	**-**	**0.27**
RPG Life Sciences Limited	-	-	-	**-**	-	0.01	-	**0.01**
RPG Enterprises Limited	-	-	-	**-**	-	✶	-	✶
Summit Securities Limited	-	-	-	**-**	-	**0.01**	-	**0.01**
Zensar Technologies Limited	-	-	-	**-**	-	✶	-	✶
CEAT Limited	-	-	-	**-**	-	**0.24**	-	**0.24**
Raychem RPG Private limited	-	-	-	**-**	-	0.01	-	**0.01**
Payments made/expenses incurred by related party	**-**	**1.16**	**-**	**1.16**	**-**	**0.23**	**-**	**0.23**
CEAT Limited	-	1.16	-	**1.16**	-	0.23	-	**0.23**
Contribution made	**-**	**-**	**13.25**	**13.25**	**-**	**-**	**11.01**	**11.01**
KEC International Limited Employee's Gratuity Fund	-	-	2.50	**2.50**	-	-	1.45	**1.45**
KEC International Limited Provident Fund	-	-	9.81	**9.81**	-	-	8.65	**8.65**
KEC International Limited Superannuation Fund	-	-	0.94	**0.94**	-	-	0.91	**0.91**

✶ *less than rounding off norms adopted by the Group*

 # excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Group..

$ Including PF and other benefits.

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

(C) Balances outstanding as at the year end

₹ in Crore

Transactions	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Amount receivable/ (payable)	**(3.44)**	**2.38**	**-**	**(1.06)**	**(7.10)**	**16.55**	**(0.04)**	**9.41**
RPG Life Sciences Limited	-	0.37	-	**0.37**	-	-	-	**-**
Raychem RPG Private limited	-	(0.53)	-	**(0.53)**	-	(0.73)	-	**(0.73)**
Palacino Properties LLP	-	0.09	-	**0.09**	-	0.09	-	**0.09**
B. N. Elias & Co. LLP	-	0.01	-	**0.01**	-	0.01	-	**0.01**
CEAT Limited	-	0.10	-	**0.10**	-	4.73	-	**4.73**
Spencers and Company Limited	-	2.70	-	**2.70**	-	2.70	-	**2.70**
Harrisons Malayalam Limited	-	-	-	**-**	-	9.85	-	**9.85**
RPG Enterprises Limited	-	(0.36)	-	**(0.36)**	-	(0.10)	-	**(0.10)**
KEC International Limited Employees' Group Gratuity Scheme	-	-	-	**-**	-	-	(0.04)	**(0.04)**
Mr. H. V. Goenka	(2.36)	-	-	**(2.36)**	(6.10)	-	-	**(6.10)**
Mr. A. T. Vaswani	(0.12)	-	-	**(0.12)**	(0.12)	-	-	**(0.12)**
Mr. D. G. Piramal	(0.12)	-	-	**(0.12)**	(0.12)	-	-	**(0.12)**
Mr. G.L. Mirchandani	(0.12)	-	-	**(0.12)**	(0.12)	-	-	**(0.12)**
Ms. Nirupama Rao	(0.12)	-	-	**(0.12)**	(0.12)	-	-	**(0.12)**
Mr. R. D. Chandak	(0.12)	-	-	**(0.12)**	(0.12)	-	-	**(0.12)**
Mr. S. M. Trehan	(0.12)	-	-	**(0.12)**	(0.12)	-	-	**(0.12)**
Mr. Vinayak Chatterjee	(0.12)	-	-	**(0.12)**	(0.04)	-	-	**(0.04)**
Mr. Vikram Gandhi	(0.12)	-	-	**(0.12)**	(0.12)	-	-	**(0.12)**
Mr. M. S. Unnikrishnan	(0.12)	-	-	**(0.12)**	(0.12)	-	-	**(0.12)**

Note: The sales / provision to and purchase / provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 58 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent Liabilities

Claims against the Company not acknowledged as debt:

(₹ in crore

Sr. No.	Particulars	Relating to various years comprise in the period	As at March 31, 2023	As at March 31, 2022
1	Sales Tax /Value Added Tax* (Tax/Penalty/Interest)	1994-2021	30.40	
		1994-2018		32.18
2	Excise Duty * (Tax/Penalty/Interest)	2008-2018	11.86	
		2003-2018		16.55
3	Service Tax * (Tax/Penalty/ Interest)	2008-2016	4.05	
		2008-2016		4.05
4	Entry Tax* (Tax/Penalty/Interest)	2010-2012	0.31	
		2009-2012		0.50
5	Goods & Services Tax (Tax/Penalty/Interest)	2018-2021	0.12	
		2018-2021		0.14
6	(i) Income Tax matters of the Company mainly on disallowance of depreciation and Tax levied on guarantees given to Associated Enterprises, etc.	A.Y 2015-16 A.Y 2016-17 A.Y 2017-18 A.Y. 2018-19	42.05	
		A.Y 2014-15 A.Y 2015-16 A.Y 2016-17 A.Y 2017-18		51.00
	(ii) Income Tax matters at overseas unit/s of the Company**	2002-2021	17.64	
		2002-2019		11.94
	(iii) Income Tax matters of a jointly controlled operation (Company's share)**	2013-2017	4.39	
		2013-2017		4.39
7	Customs Duty^	1995-1996	0.60	
		1995-1996		0.60
8	Civil Suits^^		27.24	
				9.46
9	Guarantees excluding financial guarantees :- Surety bonds obtained by Company's Subsidiaries in Brazil, Mexico and the United States for certain customer contracts.		612.78	394.51

Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

**These claims mainly relate to the issues of applicability, issue of disallowance of cenvat / VAT credit and in case of Sales Tax / Value added tax, also relate to the issue of submission of relevant forms and the Group's claim of exemption for MVAT on export sales and services.*

*** These claims mainly relate to the issues of appropriate jurisdiction for tax applicability at overseas locations..*

^ These claims mainly relate to the issues of clearance of goods from customs within time limit.

^^ These suits includes Civil suits as well as Industrial relations & labour laws cases..

 # Excluding financial guarantees referred to in Note 55B.3

(ii) Commitments

₹ in crore

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	58.96	28.56
2	Derivative related commitments	Refer notes 55C	

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 59 - SEGMENT REPORTING

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC business. Information is reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing performance focuses on the Group as a whole. The CODM reviews the Group's performance on the analysis of profit before tax at an overall level. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments".

Information about geographical areas are as under :

₹ in crore

Particulars	Revenue from External customers		Non-current assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
India	10,869.99	9,340.03	1,160.98	1,042.94
United Arab Emirates (UAE)	533.52	201.23	255.77	244.82
Brazil, Mexico and USA	1,311.27	850.31	515.57	511.48
Geographies other than above	4,566.93	3,350.69	147.86	129.90
Total	**17,281.71**	**13,742.26**	**2,080.18**	**1,929.14**

Information about major customers

During the year ended March 31, 2023, revenue arising from any single customer in India is not contributing to more than 10% of the Group's revenue. (previous year ended March 31, 2022 is ₹ 1,560.36 crore)

No other customer outside India, individually contributed 10% or more to the Group's revenue for the year ended March 31, 2023 and for the year ended March 31, 2022.

NOTE 60 - The Company, on October 13, 2021, acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) for purchase consideration of ₹ 56.93 Crores. Consequently, KEC Spur Infrastructure Private Limited became wholly owned subsidiary of the Company from the aforesaid date.

The amalgamation has been accounted for using the acquisition method prescribed under Ind AS 103 – 'Business Combinations', and accordingly, the identifiable assets (both tangible and intangible) acquired and liabilities assumed are recorded at their acquisition date fair values as determined by an independent valuer. Excess of purchase consideration over the fair value of identified assets acquired and liabilities assumed has been recognised as Customer contracts and Goodwill.

The following table presents the purchase price allocation

₹ in crore

Particulars	Purchase price allocation
Fair value of Net Assets acquired	26.05
Customer contracts	4.44
Goodwill	26.44
Total purchase price	**56.93**

NOTE 61 – DISCLOSURE PURSUANT TO IND AS 1 – "PRESENTATION OF FINANCIAL STATEMENTS"

The details of amounts which are expected by the Group to be recovered or settled after twelve months in respect of assets and liabilities relating to long-term contracts which are classified as current are as under:

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables	707.96	1,192.87
Contract Assets	280.56	396.45
Contract Liabilities	417.81	353.38
Trade Payables	223.98	238.76

NOTE 62 - ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO DIVISION II TO SCHEDULE III TO THE COMPANIES ACT, 2013

NOTE 62.1

As at March 31, 2023

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies (together 'Group')	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
1	2	3	4	5	6	7	8	9
Parent								
KEC International Limited	105.10	3,963.83	102.40	180.25	39.60	30.80	83.16	211.05
(Including joint operations)								
Subsidiaries								
Indian								
1 KEC Power India Private Limited	0.01	0.38	0.01	0.01	-	-	0.01	0.01
2 KEC Spur Infrastructure Private Limited	2.31	86.96	25.06	44.12	0.12	0.10	17.42	44.22
Foreign								
1 RPG Transmission Nigeria Limited, Nigeria	0.00	0.17	(0.00)	(0.00)	0.00	0.00	0.00	0.00
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	-	-	0.14	0.24	(0.62)	(0.48)	(0.09)	(0.24)
3 KEC Investment Holdings, Mauritius	0.00	0.03	(0.11)	(0.19)	-	-	(0.08)	(0.19)
4 KEC Global Mauritius, Mauritius	0.00	0.03	(0.07)	(0.13)	(0.55)	(0.43)	(0.22)	(0.56)
5 KEC International (Malaysia) SDN BHD	0.75	28.32	8.53	15.02	(0.70)	(0.55)	5.70	14.47
6 KEC Towers LLC	5.76	217.30	35.25	62.06	4.18	3.25	25.73	65.31
7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note)	13.85	522.31	(113.14)	(199.15)	58.06	45.15	(60.69)	(154.00)
Sub Total:	**127.78**	**4,819.33**	**58.07**	**102.23**	**100.09**	**77.84**	**70.95**	**180.07**
Consolidation Adjustment	(27.78)	(1,047.91)	41.93	73.80	(0.09)	(0.07)	29.05	73.73
	100.00	**3,771.42**	**100.00**	**176.03**	**100.00**	**77.77**	**100.00**	**253.80**

Footnote :

The information has been furnished based on the Audited Consolidated Financial Statements of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statements of SAE Group are as under:

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

As at March 31, 2023

	Name of the entity in Consolidated Financial Statements of SAE Group	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of Consolidated Net Assets of KEC Group	Amount (₹ in Crore)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in Crore)	As % of Consolidated OCI of KEC Group	Amount (₹ in Crore)	As % of Consolidated TCI of KEC Group	Amount (₹ in Crore)
	1	2	3	4	5	6	7	8	9
1	SAE Towers Holdings LLC, Delaware (USA)	40.51	1,527.96	-	-	58.06	45.15	17.79	45.15
2	SAE Towers Ltd, Delaware (USA)	0.57	21.37	0.30	0.53	-	-	0.21	0.53
3	SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)	0.00	0.00	-	-	-	-	-	-
4	SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)	0.00	0.01	-	-	-	-	-	-
5	SAE Towers Construcao Ltda, Brazil	-	-	-	-	-	-	(0.01)	-
6	SAE Towers Brazil Torres de Transmission Ltda, Brazil	0.14	5.34	(123.07)	(216.64)	-	-	(85.36)	(216.64)
7	SAE Towers Mexico S de RL de CV, Mexico	3.41	128.59	10.73	18.89	-	-	7.44	18.89
8	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.43	16.24	0.16	0.28	-	-	0.11	0.28
9	KEC Engineering & Construction Servcices S de RL de CV (Mexico)	(0.08)	(2.99)	-	-	-	-	-	-
	Less: Net effect of Intra group elimination	(31.13)	(1,174.21)	(1.26)	(2.21)	-	-	(0.87)	(2.21)
		13.85	**522.31**	**(113.14)**	**(199.15)**	**58.06**	**45.15**	**(60.69)**	**(154.00)**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 62.2

As at March 31, 2022

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies (together 'Group')	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
1	2	3	4	5	6	7	8	9
Parent								
KEC International Limited	106.51	3,855.57	130.82	434.44	13.32	4.13	120.80	438.57
(Including joint operations)								
Subsidiaries								
Indian								
1 KEC Power India Private Limited	0.01	0.37	0.00	0.01	-	-	0.00	0.01
2 KEC Spur Infrastructure Private Limited	1.18	42.74	5.02	16.69	-	-	4.60	16.69
Foreign								
1 RPG Transmission Nigeria Limited, Nigeria	0.00	0.18	(0.00)	(0.00)	(0.03)	(0.01)	(0.00)	(0.01)
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	(0.01)	(0.21)	(0.04)	(0.12)	(0.02)	(0.01)	(0.04)	(0.13)
3 KEC Investment Holdings, Mauritius	0.00	0.06	(0.08)	(0.27)	-	-	(0.07)	(0.27)
4 KEC Global Mauritius, Mauritius	0.08	2.78	(0.00)	(0.00)	0.40	0.12	0.03	0.12
5 KEC International (Malaysia) SDN BHD	0.38	13.85	1.44	4.78	(1.11)	(0.34)	1.22	4.44
6 KEC Towers LLC	4.20	151.99	6.39	21.23	9.44	2.92	6.65	24.15
7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note)	13.46	487.14	(72.70)	(241.45)	78.00	24.16	(59.87)	(217.29)
Sub Total:	**125.82**	**4,554.47**	**70.85**	**235.31**	**100.00**	**30.97**	**73.33**	**266.28**
Consolidation Adjustment	(25.82)	(934.54)	29.15	96.77	-	-	26.67	96.77
	100.00	**3,619.93**	**100.00**	**332.08**	**100.00**	**30.97**	**100.00**	**363.05**

Footnote :

The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

As at March 31, 2022

	Name of the entity in Consolidated Financial Statements of SAE Group	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of Consolidated Net Assets of KEC Group	Amount (₹ in Crore)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in Crore)	As % of Consolidated OCI of KEC Group	Amount (₹ in Crore)	As % of Consolidated TCI of KEC Group	Amount (₹ in Crore)
	1	2	3	4	5	6	7	8	9
1	SAE Towers Holdings LLC, Delaware (USA)	33.91	1,227.47	-	-	77.98	24.16	6.65	24.16
2	SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)	0.00	0.00	-	-	-	-	-	-
3	SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)	0.00	0.02	-	-	-	-	-	-
4	SAE Towers Mexico S de RL de CV, Mexico	2.78	100.79	0.07	0.22	-	-	0.06	0.22
5	SAE Towers Brazil Torres de Transmission Ltda, Brazil	0.74	26.83	(71.85)	(238.61)	-	-	(65.73)	(238.61)
6	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.37	13.51	(0.29)	(0.97)	-	-	(0.27)	(0.97)
7	SAE Towers Ltd, Delaware (USA)	0.53	19.21	0.13	0.44	-	-	0.12	0.44
8	SAE Engenharia E Construcao Ltda, Brazil	-	-	-	-	-	-	-	-
9	KEC Engineering & Construction Services S de RL de CV, Mexico	(0.07)	(2.54)	-	-	-	-	-	-
	Less: Net effect of Intra group elimination	(24.81)	(898.15)	(0.76)	(2.53)	-	-	(0.70)	(2.53)
		13.45	**487.14**	**(72.70)**	**(241.45)**	**77.98**	**24.16**	**(59.87)**	**(217.30)**

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 63 - EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

₹ in crore

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Gross amount required to be spent by the Company during the year	14.04	13.81
(b)	Amount approved by Board to be spent during the year	14.04	13.81
(c)	Amount spent during the year (in cash) on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above*	9.70	10.67

**Includes ₹ 9.62 crore (Previous year ₹ 10.11 crore) towards contribution to RPG Foundation (Implementing Agency - CSR00000030) and ₹ Nil (Previous year ₹ 0.56 crore) towards direct CSR spent by the Company and ₹ 0.08 crore (Previous year ₹ Nil) towards Impact assessment.*

A. Details of ongoing CSR Projects under Section 135(6) of the Act

₹ in crore

Balance as at April 01, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
3.13	-	13.71	9.37	3.13	4.34*	-

₹ in crore

Balance as at April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
4.27	-	12.77	9.64	4.28**	3.13*	-

** ₹ 4.34 crore as at March 31, 2023 (Previous year ₹ 3.13 crore) were transferred to separate "CSR Unspent Account" before their respective due dates pursuant to the provisions of the Companies Act, 2013.*

*** Includes interest of ₹ 0.01 crore earned on unspent CSR amount.*

A. Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

₹ in crore

Balance unspent as at April 01, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
-	-	0.33	0.33	-
Balance unspent as at April 01, 2021	**Amount deposited in Specified Fund of Schedule VII of the Act within 6 months**	**Amount required to be spent during the year**	**Amount spent during the year**	**Balance unspent as at March 31, 2022**
-	-	1.03	1.03	-

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 64 - During the quarter ended September 30, 2021, the Group has recorded a charge of ₹ 43.64 crore net of provision towards write-off of its receivables, consequent to the order of the Supreme Court of South Africa, dated October 6, 2021, in a case with a customer in South Africa.

NOTE 65 - The Company has issued unsecured Commercial Papers from time to time. These Commercial Papers are having a Credit Rating of CRISIL A1+ and IND A1+ and are Listed on BSE Limited. During the year ended March 31, 2023, the Company has repaid interest and principal of all Commercial Papers on their respective due dates. Refer note. 31.2.

NOTE 66 -

(a) The Company is executing a few projects in Afghanistan, which are currently on hold due to force majeure event. The Company is closely monitoring the situation and expects 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 international funding agencies (Asian Development Bank, USAID and World Bank). As at March 31, 2023, the Company has a net exposure of ₹ 252 crore (translated at period end exchange rate) including Afghanistan branch exposure of ₹ 79.20 crore, after netting off advances, liabilities (including contract liabilities) and proposed settlement with a funding agency. The Company is in regular discussions with its customer and the funding agencies to release payments against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed beyond their existing validity date(s) except bank guarantees in respect of one project which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects under execution, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking, making or receiving payment under the bank guarantees.

(b) The following note has been included in the financial statement of Afghanistan branch, which is reproduced as under:

"The KEC International Ltd- Afghanistan Branch (the "Company") is executing few projects in Afghanistan. These projects are currently on hold due to force majéüre event. The Company is closely monitoring the situation and expects to resume work once the geopolitical environment in Afghanistan is resolved. These Projects are funded by international funding agencies such as Asian Development Bank, USAID, and World Bank. Therefore, the Company does not expect any material financial impact.

The Company has a net exposure of USD 90,87,881 (equivalent to INR.79.20 crores) after netting off advances, liabilities (including contract liabilities) and insurance cover as at Mar 31,2023. The Company is in regular discussion with the funding agencies and the customers for releasing payment against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the aforesaid ongoing projects are currently not enforceable due to force majeure event."

NOTE 67 - The Auditors of Branches located in Sri Lanka, South Africa and a jointly controlled operation at South Africa have given an Emphasis of matter paragraph, in relation to going concern assumption used for preparation of financial statements. Basis Company's assessment, the Group can adequately source the funding required at mentioned branches and Jointly Controlled Operation.

NOTE 68 - During the previous year ended March 31, 2022, the Company had received ₹ 0.50 crore towards government grant from Government of Rajasthan for setting up an Oxygen plant under Special package for Medical oxygen. The Company has amortised the grant based on useful life of the plant and recognised income for current year of ₹ 0.02 crore under other income (Refer note 40). The balance amount of grant is shown as "Deferred Grant" in non-current liability ₹ 0.45 crores (Refer note 30) and other current liability of ₹ 0.02 crore (Refer note 36). The Company doesn't have any unfulfilled conditions and other contingencies attached to the same.

NOTE 69 - DETAILS OF BENAMI PROPERTY HELD:

No proceedings have been initiated on or are pending against any of the entities in the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

NOTE 70 - WILFUL DEFAULTER:

None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 71 - RELATIONSHIP WITH STRUCK OFF COMPANIES:

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year. Balance outstanding with struck off companies given below:

₹ in crore

Sr. No.	Name of the struck off company	Nature of transaction with the struck off company	Relationship with the struck off company	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022
1	King'Sbourn Globel Export India Private Limited	Trade payables	NA	0.03	0.06
2	Anamika Infratech Private Limited	Trade payables	NA	0.03	-
3	Om Sairam Engicon Private Limited	Trade payables	NA	0.01	0.01
4	Koushalya Power Construction Private Limited	Trade payables	NA	0.01	0.02
5	Srs Software Solutions Private Limited	Trade payables	NA	0.00	0.00
6	Popular Stock And Share Services Private Limited	Shares held by struck off company	NA	0.00	0.00
7	Ushdev Securities Limited	Shares held by struck off company	NA	0.00	0.00
8	Gnk Investments Private Limited	Shares held by struck off company	NA	0.00	0.00
9	Badri Sarraf Finance And Mutual Benefit Company Limited	Shares held by struck off company	NA	0.00	0.00
10	Pegasus Mercantile Private Limited	Shares held by struck off company	NA	0.00	0.00
11	Highlands Garments Private Limited	Shares held by struck off company	NA	0.00	0.00
12	Aggarwal Securities Private Limited	Shares held by struck off company	NA	0.00	0.00
13	Lakhan Pal Brothers Private Limited	Shares held by struck off company	NA	0.00	0.00

NOTE 72 - DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTE 73 - COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

NOTE 74 - UNDISCLOSED INCOME:

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.

NOTE 75 - VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSET:

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

NOTE 76 - UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS:

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken

Notes

forming part of the Consolidated financial statements as at and for the year ended March 31, 2023

NOTE 77 - The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTE 78 - The Group has approved its financial statements in its board meeting dated May 03, 2023.

Signatures to Notes 1 to 78 which form an integral part of the consolidated financial statements.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2023

For and on behalf of the Board of Directors

H.V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A.T. VASWANI
Audit Committee Chairman and Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2023

FORM AOC - 1

Annexure pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

₹ in Crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover **	Profit/ (Loss) before Taxation **	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
1	SAE Towers Holdings LLC, USA*	INR	1,424.47	103.58	1,580.94	52.89	-	-	-	-	-	-	100%
		USD(000)	173,356.19	12,605.98	192,399.01	6,436.85	-	-	-	-	-	-	
2	SAE Towers Ltd, USA*	INR	16.44	4.93	25.03	3.66	-	456.87	0.53	-	0.54	-	100%
		USD(000)	2,001.00	600.04	3,046.04	445.00	-	56,974.30	66.25	-	66.25	-	
3	SAE Towers Brazil Subsidiary Company LLC, USA*	INR	-	0.00	0.00	-	-	-	-	-	-	-	100%
		USD(000)	-	0.00	0.00	-	-	-	-	-	-	-	
4	SAE Towers Mexico Subsidiary Holding Company LLC, USA*	INR	-	0.01	0.01	-	-	-	-	-	-	-	100%
		USD(000)	-	1.82	1.82	-	-	-	-	-	-	-	
5	SAE Towers Construcao Ltda, Brazil*	INR	-	-	-	-	-	-	-	-	-	-	100%
		USD(000)	-	-	-	-	-	-	-	-	-	-	
6	SAE Towers Brasil Torres de Transmissao Ltda, Brazil*	INR	513.09	(507.75)	854.29	848.96	-	827.21	(323.86)	(107.22)	(216.64)	-	100%
		USD(000)	62,442.62	(61,793.03)	103,966.53	103,316.95	-	103,159.28	(40,319.10)	(13,348.27)	(26,970.83)	-	
7	SAE Towers Mexico S de RL de CV, Mexico*	INR	181.42	(52.83)	438.41	309.81	-	489.44	23.20	4.31	18.89	-	100%
		USD(000)	22,078.75	(6,428.91)	53,353.79	37,703.95	-	61,036.06	2,887.72	536.18	2,351.55	-	
8	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico*	INR	-	16.24	21.15	4.92	-	-	(0.01)	(0.30)	0.28	-	100%
		USD(000)	-	1,976.10	2,574.50	598.40	-	-	(1.74)	(36.86)	35.12	-	
9	KEC Engineering & Construction Services S de RL de CV, Mexico*	INR	-	(2.99)	(2.96)	0.04	-	-	-	-	-	-	100%
		USD(000)	-	(364.39)	(359.94)	4.44	-	-	-	-	-	-	
10	KEC Investment Holdings, Mauritius	INR	876.71	15.91	892.69	0.07	-	-	(204.59)	-	(204.59)	-	100%
		USD(000)	106,694.31	1,936.11	108,639.14	8.72	-	-	(25,470.62)	-	(25,470.62)	-	
11	KEC Global Mauritius, Mauritius	INR	0.12	(0.09)	0.07	0.04	-	-	(0.13)	-	(0.13)	-	100%
		USD(000)	19.53	(17.03)	7.15	4.65	-	-	(16.69)	-	(16.69)	-	
12	KEC International (Malaysia) SDN.BHD, Malaysia	INR	1.73	26.59	109.61	81.29	-	101.09	19.48	4.46	15.02	-	100%
		MYR(000)	1,021.74	14,191.08	58,888.45	43,675.62	-	54,716.79	9,908.29	2,385.04	7,523.25	-	
13	RPG Transmission Nigeria Limited, Nigeria	INR	0.21	(0.03)	0.18	0.00	-	-	(0.00)	-	(0.00)	-	100%
		Naira(000)	10,000.00	(210.39)	9,789.61	-	-	-	(50.00)	-	(50.00)	-	

₹ in Crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover **	Profit/ (Loss) before Taxation **	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
14	KEC Global FZ – LLC, Ras UL Khaimah, UAE	INR	-	-	-	-	-	-	0.24	-	0.24	-	100%
		AED(000)	-	-	-	-	-	-	(85.21)	-	(85.21)	-	
15	Al-Sharif Group and KEC Ltd. Co, Saudi Arabia (Refer note 3)	INR	3.65	250.23	864.77	610.89	-	864.22	82.10	12.48	69.62	-	51.10%
		SAR(000)	3,000.00	167,694.61	565,330.55	394,635.94	-	570,087.75	55,654.43	8,203.12	47,451.32	-	
16	KEC Towers LLC, Dubai, UAE	INR	126.04	59.04	596.12	411.04	-	450.46	29.61	-	29.61	-	100%
		AED(000)	63,173.50	19,688.7	265,142.18	182,279.99	-	207,986.75	9,007.09		9,007.09		
17	KEC EPC LLC, Dubai, UAE (Refer note 1)	INR	0.62	32.22	304.42	271.58	-	426.91	32.45	-	32.45	-	100%
		AED(000)	300.00	10,858.80	131,920.90	120,762.11		190,823.13	14,251.08	-	14,251.08	-	
18	KEC Power India Private Limited, India	INR	0.22	0.16	0.39	0.01	-	-	0.02	0.01	0.01	-	100%
19	KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastrucutre Private Limited) (Refer note 2)	INR	0.30	86.66	423.15	336.19	-	481.06	59.12	15.00	44.12	-	100%

The figures reported above are without considering elimination

Exchange rates as at year end considered for conversion:

1 USD = ₹ 82.165

1 AED = ₹ 22.376

1 NAIRA = ₹ 0.1783

1 SAR = ₹ 21.892

1 MYR = ₹ 18.614

** Based on the information considered in the audited consolidated financial statements of SAE Towers Holdings, LLC*

*** Average exchange rates for the year considered for conversion (actual entry rate during the year)*

Footnotes:

1 *KEC EPC LLC, Step down Subsidiary, was incorporated on October 06, 2021.*

2 *The Company on October 13, 2021 acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) thereby making it a wholly owned subsidiary of the Company.*

3 *KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Ltd. Co.', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which holds 48.90% in Al Sharif JV. Al Sharif JV is "Subsidiary" of the Company under the Companies Act, 2013. In terms of Indian Accounting Standard (Ind AS- 111) the financials of Al Sharif JV continues to be forming part of standalone accounts due to Joint Operation Control between the shareholders.*

4 *The liquidation process of KEC Global FZ, LLC has been completed and the said entity has been de-registered effective March 8, 2023.*

5. *There are no subsidiaries which have been incorporated or sold during the year.*

PART "B" : ASSOCIATES AND JOINT VENTURES

₹ in Crore

Name of Associates / joint ventures		RP Goenka Group of Companies Employees Welfare Association
1.	Latest audited balance sheet date	31/03/2023
2.	Shares of Associate / joint ventures held by the company on the year end	
	No.	-
	Amount of Investment in Associates / joint ventures	-
	Extend of Holding %	49
3.	Description of how there is significant influence	By virtue of shareholding
4.	Reason why the associate / joint ventures is not consolidated	Refer foot note no-1
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
6.	Profit / Loss for the year	-
	i. Considered in Consolidation	No
	ii. Not considered in Consolidation	-

The figures reported above are without considering elimination

Footnotes:

1. *As there are significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends, the carrying value of the Group's interest in the Associate are not considered in the consolidated financial statements.*
2. *There are no associates or joint ventures which have been incorporated, liquidated or sold during the year.*

For and on behalf of the Board of Directors

H.V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A.T. VASWANI
Audit Committee Chairman and Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2023

Independent Auditor's Report

To the Members of KEC International Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of KEC International Limited (hereinafter referred to as the "Parent Company") which includes the Returns of Company's 44 branches at Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Burkina Faso, Cameroon, Congo, Egypt, Ethiopia, Georgia, Ghana, Guinea, Indonesia, Ivory Coast, Jordan, Kazakhstan, Kenya, Kuwait, Laos, Lebanon, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia, 29 jointly controlled operations consolidated on a proportionate basis and its 18 subsidiaries (Parent Company, branches, jointly controlled operations and its subsidiaries together referred to as "the Group") (refer Notes 3.3 and 52 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement 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").

2. 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 audited financial statements of branches, jointly controlled operations and subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the 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, as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India 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 we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 16 and 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER PARAGRAPH

4. We draw attention to Note 69 of the consolidated financial statements, regarding the Company's net exposure aggregating to ₹ 233 crores from its transmission line projects in Afghanistan as at March 31, 2022, which are currently on hold due to Force Majeure event. Timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Further, the bank guarantees issued by the Company in respect of the aforesaid ongoing projects are also currently not enforceable due to the force majeure event. Our conclusion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. 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.

Key audit matter	How our audit addressed the key audit matter
Estimation of contract cost and revenue recognition (Refer Notes 38 and 51 to the standalone financial statements) Contract revenue amounting to ₹ 11,405.94 crores for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed / subject to price variance clauses. The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. This method requires the Company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period to determine the appropriate percentage of completion. We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition.	Our procedures over the recognition of construction revenue included the following: • Understood and evaluated the design and tested effectiveness of key internal financial controls, including those related to review and approval of estimated project cost and review of provision for estimated loss by the authorised representatives. • For sample of 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, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. • Assessed the adequacy of presentation and related disclosures in the standalone financial statements. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.

Notes 38 and 51 as described above are included in Notes 40 and 53 respectively to the consolidated financial statements.

Valuation of accounts receivable in view of risk of credit losses (Refer to Notes 10 and 15 to the standalone financial statement) Accounts receivables amounting to ₹ 5,258.06 crores (including retention receivables) is a significant item in the Company's standalone financial statements as at March 31, 2022 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, latest discussion/ correspondence with the customer. Given the relative significance of these receivables to the standalone financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	Our audit incorporated the following procedures with regards to provisioning of receivables: • Understood and evaluated the accounting policy of the company. • Evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. • Inquired with senior management regarding status of collectability of the receivable • For material balances, the basis of provision was discussed with the audit committee. • Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends. Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables.

Notes 10 and 15 as described above are included in Notes 11 and 17 respectively to the consolidated financial statements.

6. The following Key Audit Matters were included in the audit report dated May 02, 2022, issued by an independent firm, containing an unmodified audit opinion on the consolidated financial information of SAE Tower Holdings, LLC (SAE), a step down subsidiary of the Parent Company, which is reproduced by us as under:

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Valuation of accounts receivable

(Refer Note 40, Financial risk management objectives and policies and Note 9, Trade receivables to the special purpose consolidated financial information of SAE Tower Holdings LLC)

The Group's trade receivables amount to INR 206.86 crores as at March 31, 2022.

The Group has significant overdues from various customers/ parties for which expected credit loss provision is measured by the management based on past trends using practical expedients as prescribed by Ind AS 109: Financial Instruments. This involves significant management estimates and judgements.

The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtor with reference to ageing profile, historical pattern and the past record of default of the customer. The Group makes an assessment of the credit losses basis past history and latest discussion/correspondence with the customer.

Given the relative significance of these receivables to the special purpose consolidated financial information and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.</td><td>Our audit incorporated the following procedures with regards to provisioning towards receivables;

• Evaluated the design, implementation and operating effectiveness of the Group's key internal controls over the process of collection of trade receivables; follow up of overdue balances; assessing provisions towards receivables and controls relating to litigations.

• Reviewed the Group's credit policy outlining the authority for approving and responsibility to manage credit limits.

• Tested the expected credit loss model for appropriateness of past data and provisioning matrix used and reasons for other long outstanding balances which were not provided for were also obtained from the management.

• Obtained an understanding of the basis of management's judgements about the recoverability of trade receivable balances and evaluated the allowance for doubtful debts made by management for these individual balances with reference to correspondence between the Group and the debtors, the recovery plan and corroborated the inputs with our understanding of the matter and externally available information.

• Considered payments received subsequent to yearend, past payment history and unusual patterns to identify potentially impaired balances.

• Obtained confirmation from attorney to ensure recoverability of the receivable amount in case of litigations.

Also, ensured that the appropriate disclosures in accordance with Ind AS 32, Financial Instruments: Presentation, have been made in the special purpose consolidated financial information.</td></tr>
<tr><td colspan="2">Notes 40 and 9 as described above are included in Notes 11, 17 and 55 respectively to the consolidated financial statements.</td></tr>
<tr><td>Impairment assessment of Goodwill

(Refer note 30 to the special purpose consolidated financial information of SAE Tower Holdings LLC)

As at March 31, 2022, the Group's assets include goodwill aggregating to INR 223.26 crores. The Group has performed annual impairment test for the goodwill as per the applicable accounting standard, Ind AS 36, Impairment of Assets.

The determination of the recoverable value requires management to make certain key estimates and assumptions including forecast of future cash flows, long-term growth rates, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill.

Considering that goodwill balance is significant to the consolidated financial information and auditing management judgement and estimates as stated above involves high degree of subjectivity and requires significant auditor judgement, assessment of carrying value of goodwill is considered as a key audit matter for the current year audit.</td><td>Our procedures included, but were not limited to the following:

• We obtained an understanding from the management through detailed discussions on its impairment assessment process, assumptions used and estimates made by management and tested the operating effectiveness of the controls implemented by management around this.

• We obtained the impairment analysis carried out by the management and reviewed the valuation report prepared by management.

• We involved auditor's experts to assess the appropriateness of the valuation model used by the management and reasonableness of assumptions used relating to discount rate, industry growth rate, etc.

• We evaluated inputs used by the management with respect to revenue and cash flow forecasts, among others, for reasonableness thereof.

• We have evaluated the sensitivity analysis performed by the management in respect of the key assumptions used such as discount and growth rates to ensure that there would be no major impact on the valuation.

We have evaluated the appropriateness and adequacy of disclosures made by the Group in the special purpose consolidated financial information in accordance with the applicable Indian accounting standards.</td></tr>
</table>

Note 30 as described above is included in Note 8 to the consolidated financial statements.

OTHER INFORMATION

7. The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our and other auditor's report thereon. The 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 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. When we read the 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 appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The Parent Company's Board of Directors is 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 financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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 Directors of the Parent Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies included in the Group 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 the respective companies included in the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. 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.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Parent Company has adequate internal financial controls with reference to consolidated 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 management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 information of the entities or business activities within the Group 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.

13. We communicate with those charged with governance of the Parent Company, 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.

14. 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.

15. 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

16. We did not audit the financial statements/ financial information of 40 branches, 28 jointly controlled operations and 15 subsidiaries included in the consolidated financial statements of the Parent Company, which constitute total assets of ₹ 5,352 crores and net assets of ₹ 997 crores as at March 31, 2022, total revenue from operations of ₹ 4,232 crores, total net loss after tax of ₹ 128 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 100 crores and net cash inflows amounting to ₹ 27 crores for the year then ended. These financial statements/ financial information 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 branches, jointly controlled operations and subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid branches, jointly controlled operations and subsidiaries, is based solely on the report of such other auditors.

17. The financial statements/ financial information of 4 branches, 1 jointly controlled operation and 3 subsidiaries, located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 465 crores and net assets of ₹ 57 crores as at March 31, 2022, total revenue of ₹ 396 crores, total net loss after tax of ₹ 51 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 47 crores and net cash outflows amounting to ₹ 18 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's management has converted the financial statements/ financial information of such branches, jointly controlled operation and subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management. Our opinion in so far as it relates to the balances and affairs of such branches, jointly controlled operation and subsidiaries located outside India, including other information, is based on the report of such other auditors and the conversion adjustments prepared by the management of the Parent Company and audited by us. Material uncertainty related to going concern has been reported by two branches and one jointly controlled operation on account of loss incurred during the year by these branches and the jointly controlled operation which 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 the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent Company as on March 31,2022 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiaries, incorporated in India, none of the directors of the companies incorporated in India of the Group is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Parent Company, its 44 branches and its 2 subsidiary companies which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) 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:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 59 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2022 – Refer Note 38 to the consolidated financial statements in respect of such items as it relates to the Group. The Group did not have any long-term derivative contracts as at March 31, 2022.

iii. There has been no delays in transferring amount required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiaries incorporated in India, during the year ended March 31, 2022.

iv. (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries 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 by or on behalf of the Parent Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 82 to the consolidated financial statements);

(b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 82 to the consolidated financial statements); and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules contain any material misstatement.

20. The dividend declared and paid during the year by the Parent Company is in compliance with Section 123 of the Act.

21. The Parent Company and its subsidiary companies which are companies incorporated in India has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AIIEIQ9814

Place: Mumbai
Date: May 03, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 19 (f) of the Independent Auditor's Report of even date to the members of KEC International Limited on the consolidated financial statements for the year ended March 31, 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of the KEC International Limited (hereinafter referred to as "the Parent") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Parent which includes the internal financial controls over financial reporting of the Parent's 44 branches and its 2 subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Parent, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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

3. Our responsibility is to express an opinion on the Parent's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 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.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors 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 Parent's internal financial controls system with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

6. A company's internal financial control with reference to consolidated 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 control with reference to consolidated financial statements includes 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 CONSOLIDATED FINANCIAL STATEMENTS

7. 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 control 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.

OPINION

8. In our opinion, the Parent including 44 branches and its 2 subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 44 branches and 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of the branches and of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AIIEIQ9814

Place: Mumbai
Date: May 03, 2022

Consolidated Balance Sheet

as at March 31, 2022

₹ in Crore

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	5	1,011.95	941.38
(b) Right-of-use assets	6	231.32	174.40
(c) Capital work-in-progress	7	2.46	17.90
(d) Goodwill	8	249.70	215.36
(e) Intangible assets	9	44.68	66.37
		1,540.11	**1,415.41**
(f) Financial assets			
(i) Investments	10	*	*
(ii) Trade receivables	11	467.69	182.13
(iii) Other financial assets	12	41.03	13.24
		508.72	**195.37**
(g) Deferred tax assets (net)	30	214.13	61.93
(h) Non-current tax assets (net)	13	179.43	168.51
(i) Other non-current assets	14	209.60	323.25
Total Non -Current Assets		**2,651.99**	**2,164.47**
(2) Current Assets			
(a) Inventories	15	1,066.48	842.20
(b) Financial assets			
(i) Investments	16	12.64	1.06
(ii) Trade receivables	17	5,106.10	5,384.69
(iii) Cash and cash equivalents	18	207.63	199.79
(iv) Bank balances other than (iii) above	19	54.31	49.38
(v) Loans	20	-	31.49
(vi) Other financial assets	21	110.87	169.43
		5,491.55	**5,835.84**
(c) Contract assets	22	6,092.09	4,499.54
(d) Current tax assets (net)	23	28.42	14.21
(e) Other current assets	24	1,008.37	690.57
Total Current Assets		**13,686.91**	**11,882.36**
Total Assets		**16,338.90**	**14,046.83**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	25	51.42	51.42
(b) Other equity	26	3,568.51	3,308.27
Total Equity		**3,619.93**	**3,359.69**
Liabilities			
(1) **Non-current Liabilities**			
(a) Financial liabilities			
(i) Borrowings	27	393.26	218.71
(ii) Lease liabilities	28	167.44	113.06
		560.70	**331.77**
(b) Provisions	29	13.74	13.93
(c) Deferred tax liabilities (net)	30	43.80	55.15
(d) Other non-current liabilities	31	0.47	-
Total Non-Current Liabilities		**618.71**	**400.85**
(2) **Current Liabilities**			
(a) Financial liabilities			
(i) Borrowings	32	2,469.45	1,706.57
(ii) Lease liabilities	33	34.46	27.35
(iii) Trade payables	34		
- total outstanding dues of micro and small enterprises		154.83	129.29
- total outstanding dues other than micro and small enterprises		6,692.50	6,040.98
(iv) Other financial liabilities	35	38.73	20.95
		9,389.97	**7,925.14**
(b) Contract liabilities	36	2,410.87	2,078.63
(c) Other current liabilities	37	121.96	94.90
(d) Provisions	38	87.80	68.57
(e) Current tax liabilities (net)	39	89.66	119.05
Total Current Liabilities		**12,100.26**	**10,286.29**
Total Equity and Liabilities		**16,338.90**	**14,046.83**

**less than rounding off norms adopted by the Company.*

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Crore

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	40	13,742.26	13,114.20
II	Other income	41	13.43	29.92
III	**Total Income (I+II)**		**13,755.69**	**13,144.12**
IV	Expenses			
	(i) Cost of materials consumed	42	6,090.81	5,696.99
	(ii) Changes in inventories of finished goods and work-in-progress	43	(141.79)	3.61
	(iii) Erection and sub-contracting expenses	44	4,509.15	3,907.01
	(iv) Employee benefits expense	45	1,258.66	1,115.09
	(v) Finance costs	46	316.00	262.69
	(vi) Depreciation and amortisation expense	47	157.86	152.53
	(vii) Other expenses	48	1,121.93	1,250.29
	Total expenses		**13,312.62**	**12,388.21**
V	Profit before exceptional items and tax (III-IV)		443.07	755.91
VI	Exceptional Items	49	43.64	-
VII	Profit after exceptional items and before tax (V - VI)		399.43	755.91
VIII	Tax expense	50		
	(i) Current tax		198.58	280.00
	(ii) Deferred tax		(131.23)	(76.81)
			67.35	**203.19**
IX	Profit for the year (VII - VIII)		**332.08**	**552.72**
X	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
	(i) Remeasurement of defined benefit obligations	57	4.16	3.80
	(ii) Income tax relating to these items	50.2	(0.97)	(1.00)
	B Items that will be reclassified to profit or loss	26		
	(i) Exchange differences on translation of financial statements of foreign operations		29.86	(33.55)
	(ii) Net gain/(losses) on cash flow hedges		(2.38)	52.11
	(iii) Income tax relating to these items	50.2	0.30	(11.97)
	Total Other Comprehensive Income		**30.97**	**9.39**
XI	Total Comprehensive Income for the year (IX+X)		**363.05**	**562.11**
XII	Earnings per equity share (of ₹ 2 each)			
	(i) Basic	51	12.92	21.50
	(ii) Diluted		12.92	21.50

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022 Nos.	As at March 31, 2022 ₹ in crore	As at March 31, 2021 Nos.	As at March 31, 2021 ₹ in Crore
Equity Shares Outstanding at the beginning of the year	257,088,370	51.42	257,088,370	51.42
Add: Changes in Equity Share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	257,088,370	51.42	257,088,370	51.42
Add: Shares issued during the year	-	-	-	-
Equity Shares Outstanding at the end of the year	**257,088,370**	**51.42**	**257,088,370**	**51.42**

B. OTHER EQUITY

₹ in Crore

Particulars	Reserves and Surplus								Other Comprehensive Income			Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of Cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	
Balance as at April 01, 2020	**84.98**	**0.04**	**86.75**	**14.28**	**38.75**	**0.95**	**152.98**	**2,366.39**	**(28.86)**	**33.97**	**(4.06)**	**2,746.16**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2020	**84.98**	**0.04**	**86.75**	**14.28**	**38.75**	**0.95**	**152.98**	**2,366.39**	**(28.86)**	**33.97**	**(4.06)**	**2,746.16**
Profit for the year	-	-	-	-	-	-	-	552.72	-	-	-	552.72
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	39.00	(32.41)	2.80	9.39
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**552.72**	**39.00**	**(32.41)**	**2.80**	**562.11**
Transactions with owners in their capacity as owner												
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	-	(38.75)	-	38.75	-	-	-	-	-
Balance as at March 31, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Balance as at April 01, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Profit for the year	-	-	-	-	-	-	-	332.08	-	-	-	332.08
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	(1.78)	29.56	3.19	30.97
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**332.08**	**(1.78)**	**29.56**	**3.19**	**363.05**
Transactions with owners in their capacity as owner												
Transfer to Statutory reserve	-	-	-	-	-	2.13	-	(2.13)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(102.81)	-	-	-	(102.81)
Balance as at March 31, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**3.08**	**191.72**	**3,146.25**	**8.36**	**31.12**	**1.93**	**3,568.51**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Consolidated Cash Flow Statement

for the year ended March 31, 2022

₹ in Crore

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT FOR THE YEAR AFTER TAX		**332.08**		**552.72**
Adjustments for:				
Income tax expense	67.35		203.19	
Depreciation and amortisation expense	157.86		152.53	
Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets	(0.98)		(8.34)	
Loss on property, plant and equipment discarded & intangible assets derecognised	0.67		0.86	
Finance costs	316.00		262.69	
Interest income	(10.56)		(4.74)	
Bad debts, loans and advances written off/written back (net)	(10.68)		42.43	
Exceptional items (Refer Note 49)	43.64		-	
Allowance for bad and doubtful debts, loans and advances (net)	28.24		41.38	
Mark to market (gain) / loss on forward and commodity contracts	(12.36)		2.74	
Net unrealised exchange loss	16.59		32.72	
		595.77		**725.46**
		927.85		**1,278.18**
Changes in assets and liabilities				
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(213.09)		(66.38)	
Trade receivables	8.30		(324.10)	
Other financial assets	39.22		24.72	
Contract assets	(1,580.48)		(1,012.02)	
Other current assets	(311.59)		147.02	
Other non-current assets	113.91		(110.35)	
		(1,943.73)		**(1,341.11)**
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	692.48		1,171.36	
Other current liabilities	0.58		8.47	
Contract liabilities	308.94		(131.28)	
Other financial liabilities	(4.90)		55.13	
Provisions	21.37		7.60	
		1,018.47		**1,111.28**
CASH GENERATED FROM OPERATIONS		**2.59**		**1,048.35**
Taxes paid (net of refunds)		**(286.30)**		**(208.78)**
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES (A)		**(283.71)**		**839.57**
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)	(143.14)		(180.07)	
Acquisition of subsidiary	(56.93)		-	
Proceeds from sale of property, plant and equipment	1.46		66.33	
(Purchase)/proceeds of short-term investments (net)	(11.58)		21.43	
Interest received	10.58		3.35	
Bank balances not considered as Cash and cash equivalents (net)	(5.08)		(38.43)	
		(204.69)		**(127.39)**
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(204.69)**		**(127.39)**

Consolidated Cash Flow Statement

for the year ended March 31, 2022

₹ in Crore

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from other than short-term borrowings	172.55		470.29	
Repayments of other than short-term borrowings	(15.81)		(526.68)	
Repayment of lease liabilities	(27.15)		(25.58)	
Net increase / (decrease) in short-term borrowings	741.28		(226.35)	
Finance costs paid	(272.48)		(350.10)	
Dividend paid	(102.53)		(0.50)	
		495.86		**(658.92)**
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**495.86**		**(658.92)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**7.46**		**53.26**
Cash and cash equivalents at the beginning of the year (Refer Note 18)		199.79		152.68
Add: Cash and cash equivalents taken over on acquisition of subsidiary		12.71		-
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(12.33)		(6.15)
Cash and cash equivalents at the end of the year (Refer Note 18)		**207.63**		**199.79**
Supplemental Information				
Non Cash Transactions from Investing and Financing Activities:				
Acquisition of Right-of-use assets		78.71		21.34

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

Particulars	As at March 31, 2021	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest movement during the year	As at March 31, 2022
Long term borrowings (including current maturity and accrued interest)	301.47	156.74	-	8.45	0.68	467.34
Short term borrowings (incuding borrowings taken over on acquisition of subsidiary)	1,627.03	754.85	-	17.39	8.32	2,407.59
Lease liabilities	140.41	(27.15)	77.55	4.31	6.78	201.90
Total liabilities from financing activities	**2,068.91**	**884.44**	**77.55**	**30.15**	**15.78**	**3,076.83**

Particulars	As at March 31, 2020	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest movement during the year	As at March 31, 2021
Debentures (including accrued interest)	343.78	(250.00)	-	-	(93.78)	-
Long term borrowings (including current maturity and accrued interest)	122.80	193.61	-	(13.43)	(1.50)	301.47
Short term borrowings	1,913.42	(226.35)	-	(58.08)	(1.97)	1,627.03
Lease liabilities	145.63	(25.58)	19.34	(4.19)	5.21	140.41
Total liabilities from financing activities	**2,525.63**	**(308.32)**	**19.34**	**(75.70)**	**(92.04)**	**2,068.91**

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

In terms of our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

H. V. GOENKA
Chairman
DIN: 00026726

SARAH GEORGE
Partner
Membership Number: 045255

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Place: Mumbai
Date: May 03, 2022

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

1. GENERAL INFORMATION

KEC International Limited ("the Company") is a public limited company incorporated and domiciled in India. The registered office of the Company is located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

The Company including its branches, jointly controlled operations and its subsidiaries (as detailed in note 3.3) is herein after together referred to as the 'Group'.

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses.

2. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

New standards adopted by the Group:

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Amendments applicable from April 01, 2022

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 01, 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of consolidated financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the Group has changed the classification/ presentation of (i) current maturities of long-term borrowings (ii) security deposits

- The current maturities of long-term borrowings (including interest accrued) has now been included in the "Borrowings (current)" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.
- security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Group has reclassified following comparative amounts to conform with current year presentation as per the requirements of Ind AS 1:

- Security deposits amounting to ₹ 13.24 crore and ₹ 63.53 crore have been reclassified from non-current and current loans respectively to Other financial assets (non-current and current respectively).
- Current maturities of long-term borrowings amounting to ₹ 81.86 crore have been reclassified from Other financial liabilities (current) to Borrowings (current).

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets under defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets', or net present value of lease payments in Ind AS 116 'Leases', as applicable.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

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.

The principal accounting policies are set out below.

Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. supply or construction contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly, for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle, except for amounts with respect to legal cases or long pending disputes.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:-

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company looses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component's other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the transferred asset.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

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The following subsidiaries have been considered in preparation of the consolidated financial statements:

	Country of Incorporation	% of ownership interest either directly or through subsidiaries	
		As at March 31, 2022	As at March 31, 2021
Direct Subsidiaries			
RPG Transmission Nigeria Limited	Nigeria	100	100
KEC Global FZ–LLC–Ras UL Khaimah	UAE	100	100
KEC Towers LLC	UAE	100	100
KEC Investment Holdings, Mauritius	Mauritius	100	100
KEC Global Mauritius	Mauritius	100	100
KEC International (Malaysia) SDN BHD	Malaysia	100	100
KEC Power India Private Limited	India	100	100
KEC Spur Infrastructure Private Limited (Acquired on October 13, 2021) (formerly known as Spur Infrastructure Private Limited)	India	100	-
Indirect Subsidiaries			
SAE Towers Holdings LLC	USA	100	100
SAE Towers Brazil Subsidiary Company LLC	USA	100	100
SAE Towers Mexico Subsidiary Holding Company LLC	USA	100	100
SAE Towers Mexico S de RL de CV	Mexico	100	100
SAE Towers Brasil Torres de Transmissao Ltda	Brazil	100	100
SAE Prestadora de Servicios Mexico, S de RL de CV	Mexico	100	100
SAE Towers Ltd	USA	100	100
SAE Engenharia E Construcao Ltda	Brazil	100	100
KEC Engineering & Construction Services, S de RL de CV	Mexico	100	100
KEC EPC LLC (w.e.f. October 06, 2021)	UAE	100	-

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, the equity interests issued by the Group in exchange of control of the acquiree and fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are generally recognised in the Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.4 above) less accumulated impairment losses, if any. Goodwill is not amortised but it is tested for impairment.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

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A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Interests in jointly controlled operations

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement 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 jointly controlled operations, the Group as a joint operator recognises in relation to its interest in a jointly controlled operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the jointly controlled operation; and
4. its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

When a group entity transacts with a jointly controlled operation in which a group entity 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 consolidated financial statements only to the extent of other parties' interests in the jointly controlled operation.

When a group entity transacts with a jointly controlled operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.7 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale and are presented separately from the other assets in the balance sheet. The liabilities related to the assets held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the statement of profit or loss.

3.8 Revenue recognition

The Group derives revenue principally from following streams:

- Sale of products (towers and cables)
- Sale of services
- Construction contracts
- Other Operating Revenue

3.8.1 Sale of products:

Revenue from sale of products is recognised upon satisfaction of performance obligations i.e. 'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract.

In determining the transaction price for sale of product, the Group considers the effects of variable

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consideration, if any. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

3.8.2 Sale of services:

Services rendered include tower testing and designing, operating and maintenance and other services.

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

3.8.3 Construction contracts:

The Group recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

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 complex, subject to many variables and requires significant judgement. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. 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.

The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the balance sheet.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3.8.4 Other Operating Revenue:

Export benefits under Mercantile Export from India Scheme (MEIS), Service Export from India Scheme (SEIS), Duty Drawback benefits and Remission of Duties and Taxes on Export Products Scheme

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(RoDTEP) are accounted as revenue on accrual basis as and when export of goods take place, where there is a reasonable assurance that the benefit will be received and the Group will comply with all the attached conditions.

3.8.5 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate for and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

3.9 Leasing

As a lessee:

The Group assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payments that vary to reflect changes in market rental rates, if any
- Amounts expected to be payable by the Group under residual value guarantees, if any
- Exercise price of the purchase option, if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using Group's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Amendment to Ind AS 116 'Leases' w.r.t "Covid-19-Related Rent Concessions" provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. The Group has applied the practical expedient for all qualifying rent concessions and these concessions have been accounted as variable lease payments in the statement of profit and loss in the period in which they are granted.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Group is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

3.10 Foreign currency transactions

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (functional currency). For each branch, jointly controlled operation and a subsidiary situated outside India, the Company determines the functional currency and items included in the financial statements of each entity are

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measured using that functional currency of that respective branch, jointly controlled operation and subsidiary. The functional and presentation currency of the Group is Indian Rupees (INR). The financial statements are presented in Indian rupees (INR).

3.10.1 Accounting for transactions and balances in foreign currencies

Foreign currency transactions are recorded in the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency at the year end exchange rate are generally recognised in profit or loss.

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.

In case of consideration paid or received in advance for foreign currency denominated contracts, the related expense or income is recognised using the rate on the date of transaction on initial recognition of a related asset or liability.

Exchange differences on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.24 below for hedging accounting policies);
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items

3.10.2 Translation of foreign operations whose functional currency is other than presentation currency:

1. Assets and liabilities, both monetary and non-monetary are translated at the rates prevailing at the end of each reporting period and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.
2. Income and expense items are translated at the exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

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 Group is reclassified in the consolidated statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.11 Borrowing costs

Borrowing costs 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. The

Group considers a period of twelve months or more as a substantial period of time.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Finance expenses are recognised immediately in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs.

All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

3.12 Employee benefits

3.12.1 Long Term Employee Benefits :

(a) Defined Contribution Plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund and provident fund are recognised as expense when employees have rendered service entitling them to the contributions. The Group has no further payment obligation once the contribution have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

(b) Defined Benefit Plans:

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary. The Company's contribution to the provident fund for all employees are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

The defined benefit plan of the Company, its subsidiaries and its jointly controlled operations at India i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation of an amount equivalent to 15 days salary for completed years of service and on death while in employment an amount equivalent to 15 days salary for anticipated years of service in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

In case of jointly controlled operation at Al-Sharif Group and KEC Ltd Company and Saudi Arabia (Al Sharif JV), the defined benefit plan i.e. End Service Benefit (ESB), provides for lump sum payment to vested employees on resignation/ termination or retirement on an amount equivalent to 15 days salary upto 5 years and one month salary from 6th year onwards for each completed year of service or part thereof on proportionate basis according to the law applicable in Saudi. Vesting occurs upon completion of two years of service.

In case of subsidiary at Malaysia, the defined benefit plan i.e. Gratuity Plan, provides for lump sum payment to vested employees on resignation/ termination or retirement and on death while in employment, an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months in terms of gratuity scheme provided by the subsidiary company or as per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

The defined benefit plan of subsidiary at Dubai i.e. gratuity plan, provides for lump sum payment to vested employees on separation (including death), an amount equivalent to 1.75 days for each month for first 60 months and beyond 60 months, 2.5 days per month, for each completed years of service and on voluntary termination, proportionate amount based on number of years of service in terms of Gratuity scheme of the subsidiary at Dubai or as per payment of the Gratuity Act of Dubai, whichever is higher. Vesting occurs upon completion of one year of service. However, on death of an employee, there is no minimum service requirement.

In case of subsidiary at US, it has a post employment scheme for pension, which is unfunded.

The liability recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligations are determined by actuarial valuation performed by an independent actuary at each

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balance sheet date using the projected unit credit method.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of a plan amendment

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurements, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Consolidated Statement of Profit and Loss.

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(c) Compensated absences:

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 therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3.12.2 Short-term employee benefits:

Liabilities for wages & salaries, 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.

Short term employee benefits also cover the Group's liability for sick and earned leave.

3.13 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

3.13.1 Current tax

The Group'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 Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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3.13.2 Deferred tax

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. 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled operations, except where it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, 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 difference can be utilised.

Deferred tax assets and liabilities are offset when there is a 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 entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and credits only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3.13.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.14 Property, plant and equipment

Property, plant and equipment (except freehold land) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Freehold land is not depreciated.

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Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation commences when the assets are ready for their intended use. Depreciation on Property, Plant and Equipment has been provided on the straight-line method over their estimated useful life, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these Property, Plant and Equipment is mentioned below:

Particulars	Estimated useful life (in years)
Buildings (including roads and temporary structures)	3-60
Plant and Equipment/ Office Equipment	5-25
Erection tools	3-5
Furniture and Fixtures	10
Vehicles	6-8
Computers	3-6

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

3.15 Intangible assets

3.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.15.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

3.15.3 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

3.15.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

3.15.5 Useful lives of intangible assets

Brand in respect of the power transmission business acquired under the High Court approved Composite

Scheme of Arrangement in an earlier year is amortised by the Company in terms of the said Scheme over its useful life, which based on an expert opinion is estimated to be of 20 years. Non-compete fees paid on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non-compete agreement i.e. 3 years. Customer Contracts obtained on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized over an estimated useful life of 2.5 years.

Computer Software are amortised on straight line basis over the estimated useful life ranging between 4-6 years.

3.16 Impairment of Non-current assets (excluding Goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its Property, plant and equipment, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), other than goodwill 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 Consolidated Statement of Profit and Loss.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

3.17 Investment

The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. (Refer 3.21)

3.18 Inventories

Inventories (raw material, work-in-progress, finished goods, stores and spares and erection material) are stated at the 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.

3.19 Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the management's 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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Present obligations arising under onerous contracts are recognised, measured and disclosed as provisions in consolidated financial statements. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranty Provision: Provisions for warranty related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets: A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

3.20 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

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 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 Consolidated Statement of Profit and Loss.

Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3.21 Classification and Measurement of Financial Assets

3.21.1 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.

Effective interest method

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as FVTPL or FVOCI. Interest income is recognised in the Consolidated Statement of Profit and Loss.

3.21.2 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 Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item.

3.21.3 Dividend income is recognised when the right to receive payment has been established.

3.21.4 Impairment of financial assets

The Group recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for 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. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

3.21.5 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 asset. The Group continues to recognise the asset 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 recognised in other comprehensive income and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

3.22 Classification and Measurement of Financial liabilities and equity instruments

3.22.1 Classification as debt or equity

Debt and equity instruments issued by a group entity 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.

3.22.2 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 the Group are recognised at the proceeds received, net of direct issue costs.

3.22.3 Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

3.22.3.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

3.22.3.2 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 the Group entity are initially measured at their fair value 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, 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, 'Revenue from Contract with Customers'.

3.22.3.3 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 with a new 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 the Consolidated Statement of Profit and Loss.

3.23 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks, including foreign exchange forward contracts, and commodity contracts- Over the Counter (OTC) derivatives. Derivatives are only used for economic hedging purposes and not as a speculative investment.

Derivatives 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 Consolidated 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 Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

3.24 Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk and commodity price risk as cash flow hedges. Hedges of foreign exchange risk and commodity price risk for highly probable forecast transactions are accounted for as cash flow hedges. Hedges of the fair value of recognised assets or liabilities are accounted for as fair value hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

3.24.1 Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. For cash flow hedging relationships that span multiple reporting periods, the ineffectiveness for the period is calculated as the difference between the cumulative ineffectiveness as at reporting date (based on the 'lesser of' the cumulative change in the fair value of the hedging instrument and the hedged item), and the cumulative ineffectiveness reported in prior periods.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects the Consolidated Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Consolidated Statement of Profit and Loss.

Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss through cost of material consumed.

3.25 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 financial institutions, other short term highly liquid investments 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.

3.26 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3.27 Exceptional items:

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 consolidated financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

3.28 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

4. CRITICAL ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 3, the Management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the consolidated financial statements.

4.1 Classification of Joint Arrangement as a Jointly Controlled Operations

In terms of Ind AS 111, 'Joint Arrangement' the Company has classified its joint arrangements as jointly controlled operations in the Standalone Financial Statements of the Company as the contractual arrangements between the parties specify that parties have rights to the assets, and obligations for the liabilities, relating to the arrangement (Refer note 52 for the list of joint arrangements).

4.2 Revenue recognition for construction contracts

Refer note 3.8.3 and Note 53.

4.3 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also given in the normal course of business. There are certain obligations which management has concluded based on all available facts and circumstances are treated as contingent liabilities and disclosed in the Notes but are not provided for in the consolidated financial statements. Although there can be no assurance of the final outcome of the legal proceedings in which the Group is involved it is not expected that such contingencies will have a material effect on its financial position or profitability.

4.4 Income Taxes

In preparing the consolidated financial statements, the Group recognises income taxes in each of the jurisdictions in which it operates. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Group determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4.5 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.6 Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

4.7 Fair value measurements

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

Particulars	Freehold Land	Buildings	Plant and Equipment	Erection Tools	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount									
As at April 01, 2020	**142.22**	**277.14**	**790.54**	**146.60**	**28.96**	**57.59**	**12.76**	**42.59**	**1,498.40**
Additions	-	94.70	103.14	55.70	0.17	-	1.02	4.80	259.53
Disposal	-	0.64	38.76	33.86	0.16	1.46	0.27	0.47	75.62
Adjustments	(3.23)	(4.96)	(10.51)	(0.48)	(0.20)	(0.57)	(0.05)	(0.58)	(20.58)
As at March 31, 2021	**138.99**	**366.24**	**844.41**	**167.96**	**28.77**	**55.56**	**13.46**	**46.34**	**1,661.73**
Acquisition	-	-	7.91	-	0.21	0.51	0.17	0.11	8.91
Additions	-	24.40	61.06	44.41	1.38	7.45	1.49	7.20	147.39
Disposal	-	0.05	3.14	4.35	0.11	0.63	0.18	0.51	8.97
Adjustments	4.35	10.31	20.47	0.79	0.87	0.73	0.07	0.98	38.57
As at March 31, 2022	**143.34**	**400.90**	**930.71**	**208.81**	**31.12**	**63.62**	**15.01**	**54.12**	**1,847.63**
Accumulated depreciation:									
As at April 01, 2020	-	**95.33**	**375.59**	**70.54**	**16.91**	**42.91**	**9.63**	**32.16**	**643.07**
Depreciation expense (Refer Note 47)	-	12.84	49.69	25.42	2.36	3.06	1.08	4.71	99.16
Disposal	-	0.61	8.34	4.83	0.15	1.35	0.25	0.44	15.97
Adjustments	-	(1.53)	(2.75)	(0.28)	(0.18)	(0.56)	(0.03)	(0.58)	(5.91)
As at March 31, 2021	-	**106.03**	**414.19**	**90.85**	**18.93**	**44.06**	**10.42**	**35.85**	**720.35**
Depreciation expense (Refer Note 47)	-	16.26	51.44	27.32	2.13	3.06	1.01	4.65	105.87
Disposal	-	0.05	2.22	4.32	0.07	0.52	0.16	0.42	7.75
Adjustments	-	2.12	12.11	0.80	0.47	0.72	0.07	0.92	17.21
As at March 31, 2022	-	**124.36**	**475.52**	**114.65**	**21.47**	**47.32**	**11.35**	**41.01**	**835.68**
Net carrying amount									
As at March 31, 2021	138.99	260.21	430.22	77.11	9.83	11.50	3.03	10.49	941.38
As at March 31, 2022	**143.34**	**276.54**	**455.19**	**94.16**	**9.65**	**16.30**	**3.66**	**13.11**	**1,011.95**

NOTE 5.1

For details of Property, plant and equipment having gross carrying amount aggregating ₹ 486.70 crore (As at March 31, 2021 ₹ 418 crore), which are pledged as security for borrowings - Refer Notes 27 and 32.

NOTE 5.2

Adjustments represents foreign currency exchange translation adjustment on account of a branch, jointly controlled operations and foreign subsidiaries which have different functional currency.

NOTE 5.3

During the year, the company has reclassified Leasehold Land amounting to ₹ 38.07 crore as on March 31, 2021 (Net Block) from “Property, plant and equipment” to “Right-of-use assets”, the said disclosure being more relevant to the users of the consolidated financial statements. This change doesn’t result in any impact on total non current assets and total assets.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 6 - RIGHT-OF-USE ASSETS (REFER NOTE 54)

₹ in Crore

Description	Buildings	Land (Refer Note 5.3)	Plant & Machinery	Vehicles	Total
Gross Carrying Amount					
As at April 01, 2020	**93.86**	**122.26**	**4.04**	**1.63**	**221.79**
Additions	12.96	8.38	-	-	21.34
Disposal	4.84	0.06	-	0.29	5.19
Adjustments (Refer Note 6.1)	(2.12)	(2.14)	(0.03)	-	(4.29)
As at March 31, 2021	**99.86**	**128.44**	**4.01**	**1.34**	**233.65**
Additions	31.73	46.98	-	-	78.71
Disposal	4.56	-	1.03	0.52	6.11
Adjustments (Refer Note 6.1)	2.51	2.95	0.03	-	5.49
As at March 31, 2022	**129.54**	**178.38**	**3.01**	**0.82**	**311.74**
Accumulated Depreciation					
As at April 01, 2020	**22.93**	**12.57**	**0.22**	**0.17**	**35.89**
Depreciation expense (Refer Note 47)	19.03	5.90	1.56	0.64	27.13
Disposal	3.25	0.01	-	0.10	3.36
Adjustments (Refer Note 6.1)	(0.42)	0.02	(0.01)	-	(0.41)
As at March 31, 2021	**38.29**	**18.48**	**1.77**	**0.71**	**59.25**
Depreciation expense (Refer Note 47)	16.13	7.47	1.15	0.31	25.06
Disposal	4.32	-	0.49	0.26	5.07
Adjustments (Refer Note 6.1)	0.72	0.44	0.02	-	1.18
As at March 31, 2022	**50.82**	**26.39**	**2.45**	**0.76**	**80.42**
Net carrying amount					
As at March 31, 2021	61.57	109.96	2.24	0.63	174.40
As at March 31, 2022	**78.72**	**151.98**	**0.56**	**0.06**	**231.32**

Note 6.1 *Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.*

NOTE 7 - CAPITAL WORK IN PROGRESS (CWIP):

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	**17.90**	**83.96**
Addition during the year*	137.15	160.97
Capitalisation during the year*	152.59	(227.01)
Effect of translation adjustment (gain)/loss	0.00	(0.02)
Closing Balance	**2.46**	**17.90**

** including intangible assets*

Note 7.1 - CWIP ageing schedule

CWIP ageing schedule as at March 31, 2022

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.51	0.95	-	-	**2.46**
Projects temporarily suspended	-	-	-	-	**-**

CWIP ageing schedule as at March 31, 2021

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.82	0.25	1.05	0.78	**17.90**
Projects temporarily suspended	-	-	-	-	**-**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 7.2 - Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

₹ in Crore

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects temporarily suspended	NIL				

NOTE 8 - GOODWILL

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	215.36	222.56
Add :- Goodwill recognised on acquisition of KEC Spur Infrastructure Private Limited* (Refer Note 61)	26.44	-
Effect of foreign currency exchange difference recognised in other comprehensive income (OCI)	7.90	(7.20)
Balance at the end of year	**249.70**	**215.36**

The Aggregate carrying amount of goodwill of each unit is as follows

Particulars	As at March 31, 2022	As at March 31, 2021
SAE Towers Holdings, LLC and its subsidiaries (SAE) (Refer Note 8.1)	223.26	215.36
KEC Spur Infrastructure Private Limited (Spur)* (Refer Note 61)	26.44	-
Total	**249.70**	**215.36**

** formerly known as Spur Infrastructure Private Limited*

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount whenever there is any indication of impairment.

For the purpose of impairment testing, SAE entire business is considered as one Cash Generating Unit.

The recoverable amount of this Cash Generating Unit is based on value in use. The value in use is determined based on discounted cash flow projections. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of value in use are set out below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	10.04%	10.84%
Terminal value growth rate	3.50%	3.50%
Period considered for discounting	5 years	5 years

The cash flow projections include specific estimates for five years and terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the EBITDA margins at SAE level.

Based on the above, no impairment was identified as of March 31, 2022, as the recoverable amount of the CGU exceeded the carrying value.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 9 - INTANGIBLE ASSETS

₹ in Crore

Particulars	Brands (Refer Note 9.1)	Computer softwares	Non Compete Fees (Refer Note 9.3)	Customer Contracts (Refer Note 61)	Total
Gross carrying amount					
As at April 01, 2020	**246.95**	**84.23**	**-**	**-**	**331.18**
Additions	-	4.65	-	-	4.65
Disposal	-	-	-	-	-
Adjustments (Refer Note 9.2)	-	(0.55)	-	-	(0.55)
As at March 31, 2021	**246.95**	**88.33**	**-**	**-**	**335.28**
Acquisition	0.00	-	-	-	**0.00**
Additions	-	0.19	0.58	4.44	**5.21**
Disposal	6.95	0.60	-	-	**7.55**
Adjustments (Refer Note 9.2)	-	0.95	-	-	**0.95**
As at March 31, 2022	**240.00**	**88.87**	**0.58**	**4.44**	**333.89**
Accumulated amortisation					
As at April 01, 2020	**186.62**	**56.57**	**-**	**-**	**243.19**
Amortisation expense (Refer Note 47)	12.34	13.90	-	-	**26.24**
Disposal	-	-	-	-	**-**
Adjustments (Refer Note 9.2)	-	(0.52)	-	-	**(0.52)**
As at March 31, 2021	**198.96**	**69.95**	**-**	**-**	**268.91**
Amortisation expense (Refer Note 47)	12.00	13.95	0.10	0.89	26.93
Disposal	6.95	0.59	-	-	7.54
Adjustments (Refer Note 9.2)	-	0.91	-	-	0.91
As at March 31, 2022	**204.01**	**84.22**	**0.10**	**0.89**	**289.21**
Net carrying amount					
As at March 31, 2021	47.99	18.38	-	-	66.37
As at March 31, 2022	**35.99**	**4.65**	**0.48**	**3.55**	**44.68**

Note 9.1

Brands include brand of the power transmission business amounting ₹ 240 crore which was acquired by the Company under the High Court approved Composite Scheme of Arrangement (the 'Scheme') in an earlier year. In terms of the Scheme, the brand is being amortised by the Company over its useful life, which based on an expert opinion is estimated to be of 20 years. The carrying amount of the brand as on March 31, 2022 ₹ 35.99 crore (as at March 31, 2021 ₹ 47.99 crore) and the remaining amortisation period is 3 years (as at March 31, 2021 - 4 years).

Note 9.2

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have different functional currency.

Note 9.3

Non compete fees paid on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non-compete agreement i.e. 3 years.

NOTE 10 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current:		
Investment in equity shares (at fair value through other comprehensive income)		
Unquoted		
4900 Fully paid Equity Shares of ₹ 10 each of RP Goenka Group of Companies Employees Welfare Association	*	*
	*	*
Aggregate book value of unquoted investments	*	*
Aggregate provision for diminution in value of investments	-	-

** less than rounding off norms adopted by the group.*

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Entity)', no portion of income or property shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to members of the Entity. Any surplus upon winding up or dissolution of the Entity shall not be distributed amongst the members of the Entity but shall be given or transferred to such other Companies having objects similar to the objects of this Entity, to be determined by the members of the Entity at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

As, there are significant restrictions on the ability of the Entity to transfer funds to the Group in the form of cash dividends, the fair value of the Group's interest in the Entity is concluded to be equal to cost.

NOTE 11 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current trade receivables - Unsecured		
(i) Considered good	478.84	209.01
(ii) Having significant increase in credit risk	-	-
(iii) Credit impaired	-	-
	478.84	**209.01**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	11.15	26.88
	467.69	**182.13**

***Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) (Refer Note 55.9).**

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**8.46**
Add: Created during the year	18.83
Less: Released during the year	0.41
Balance as at March 31, 2021	**26.88**
Add: Created during the year	3.24
Less: Released during the year	18.97
Balance as at March 31, 2022	**11.15**

Note 11.1 Trade receivables (non current) ageing

As at March 31, 2022

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Non-Current Trade Receivable							
Undisputed – considered good	260.63	5.22	84.67	117.30	10.91	0.11	478.84
Undisputed – having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed – having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
Total	**260.63**	**5.22**	**84.67**	**117.30**	**10.91**	**0.11**	**478.84**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

As at March 31, 2021

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Non-Current Trade Receivable							
Undisputed – considered good	177.39	-	-	-	-	-	177.39
Undisputed – having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	31.62	31.62
Disputed – having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
Total	**177.39**	**-**	**-**	**-**	**-**	**31.62**	**209.01**

NOTE 12 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
a) Contractually reimbursable expenses	**26.67**	**-**
b) Security Deposits, Unsecured :		
Considered good	14.36	13.24
Having significant increase in credit risk	-	-
Credit impaired	0.76	0.76
Less: Allowance for bad and doubtful security deposits (Refer Note 12.1)	0.76	0.76
	14.36	**13.24**
c) Amount withheld by customers:		
Considered good	-	-
Having significant increase in credit risk	-	10.32
Credit impaired	-	-
Less: Allowance for bad and doubtful receivables (Refer Note 12.2)	-	10.32
	-	**-**
	41.03	**13.24**

Note 12.1
Movement in the allowance for bad and doubtful security deposits (Expected Credit Loss) (Refer Note 55.9).

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**0.76**
Add: Created during the year	0.51
Less: Released during the year	0.51
Balance as at March 31, 2021	**0.76**
Add: Created during the year	-
Less: Released during the year	-
Balance as at March 31, 2022	**0.76**

Note 12.2
Movement in the allowance for bad and doubtful receivables (Expected Credit Loss) (Refer Note 55.9).

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**10.32**
Add: Created during the year	-
Less: Released during the year	-
Balance as at March 31, 2021	**10.32**
Add: Created during the year	-
Less: Released during the year	10.32
Balance as at March 31, 2022	**-**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 13 - NON-CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax payments less provisions	179.43	168.51
	179.43	**168.51**

NOTE 14 - OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
a) Capital Advances	10.65	10.55
b) Others		
- Excise duty recoverable from Government authorities	24.45	24.45
- VAT Credit / WCT /Service tax receivables	121.05	131.87
- GST Receivable	12.41	76.99
- Prepaid expenses	4.08	13.78
- Export benefits	-	37.41
- Sales tax/ excise duty/service tax/ entry tax, etc. paid under protest	21.75	16.24
- Others (includes amounts towards judicial deposits)	15.21	11.96
	198.95	**312.70**
	209.60	**323.25**

NOTE 15 - INVENTORIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Inventories (lower of cost and net realisable value)		
(a) Raw materials		
(i) in stock	596.51	509.09
(ii) in-transit	6.52	5.84
	603.03	**514.93**
(b) Work-in-progress (Refer Note 15.1)	195.90	85.47
(c) Finished goods	227.29	195.93
(d) Stores and spares	29.27	26.10
(e) Scrap	10.99	19.77
	1,066.48	**842.20**

Note 15.1 Details of inventory of work-in-progress

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Towers and structurals	179.03	53.54
Cables	16.87	31.93
	195.90	**85.47**

NOTE 16 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Quoted - Other investments :		
Investments in Commercial Papers	12.64	1.06
(Carried at fair value through profit or loss)		
	12.64	**1.06**
Notes: Quoted investments		
Aggregate book value of quoted investments	12.64	1.06
Aggregate book value of quoted investments and market value thereof	12.64	1.06

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 17 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables - Unsecured (Refer Note 17.1, 17.2 and 55.9)		
(a) Considered good	5,172.25	5,445.07
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	12.36	-
	5,184.61	**5,445.07**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	78.51	60.38
	5,106.10	**5,384.69**

***Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer Note 55.9)**

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**44.40**
Add: Created during the year	19.33
Less: Released during the year	3.22
Less: Exchange fluctuation	0.13
Balance as at March 31, 2021	**60.38**
Add: Created during the year	24.99
Less: Released during the year	7.34
Less: Exchange fluctuation	(0.48)
Balance as at March 31, 2022	**78.51**

Note 17.1: Transfer of financial assets

During the current year, the Group has discounted trade receivables with an aggregate carrying amount of ₹ 153.19 crore with banks for cash proceeds of ₹ 151.95 crore. These arrangements are "non-recourse" to the Group and accordingly, the Group has derecognised these receivables as at March 31, 2022. Amount of interest charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 1.24 crore.

Note 17.2: Receivable from related parties is ₹ 3.90 crore (As at March 31, 2021 ₹0.08 crore).

Note 17.3: Trade receivables ageing

As at March 31, 2022

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Undisputed – considered good	3,999.91	723.14	215.74	133.75	2.48	88.40	5,163.42
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – Credit Impaired	-	-	-	-	-	0.92	0.92
Disputed – considered good	1.83	0.49	0.21	0.55	0.46	5.29	8.83
Disputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – Credit Impaired	-	1.70	-	0.95	0.08	8.71	11.44
Total	**4,001.74**	**725.33**	**215.95**	**135.25**	**3.02**	**103.32**	**5,184.61**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

As at March 31, 2021

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Undisputed – considered good	3,979.56	907.27	250.64	70.16	138.48	72.89	5,419.00
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – Credit Impaired	-	-	-	-	-	-	-
Disputed – considered good	7.96	2.07	0.99	0.74	12.93	1.38	26.07
Disputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – Credit Impaired	-	-	-	-	-	-	-
Total	**3,987.52**	**909.34**	**251.63**	**70.90**	**151.41**	**74.27**	**5,445.07**

NOTE 18 - CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Balances with banks		
(i) In current accounts	187.57	176.48
(ii) In deposit accounts	5.99	15.69
	193.56	**192.17**
(b) Cheques on hand	8.00	-
(c) Cash on hand	6.07	7.62
	207.63	**199.79**

NOTE 19 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Earmarked balances with banks - unpaid dividend accounts	3.01	2.70
(ii) Bank deposit with original maturity of more than 3 months but less than 12 months	6.22	0.43
(iii) Margin Money deposit with maturity less than 12 months	0.72	0.72
(iv) Balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments	44.36	45.53
	54.31	**49.38**

NOTE 20 - LOANS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Related Parties		
(a) Considered good-Unsecured		
- Loans to jointly controlled operations (net of the Group's share)	-	31.49
(b) Having significant increase in credit risk	-	-
(c) Credit Impaired	-	-
	-	**31.49**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note: 20.1 Loans to jointly controlled operations have been provided by the Group to meet the short term working capital requirements for execution of projects by the jointly controlled operations.

NOTE 21 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
(i) Sundry Deposits	34.26	63.53
(ii) Interest accrued on fixed deposits	0.36	0.38
(iii) Insurance claims	0.78	1.72
(iv) Mark to market gain on foreign currency forward and commodity contracts (Refer Note 55.7 and Note 55.8)	25.45	15.47
(v) Contractually reimbursable expenses	50.02	86.91
(vi) Others	-	1.42
	110.87	**169.43**

NOTE 22 - CONTRACT ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Amount due from customers for contract work	6,097.18	4,504.63
Less: Allowance for contract assets (Refer Note 22.1)	5.09	5.09
	6,092.09	**4,499.54**

Note 22.1 Movement in the allowance for contract assets (expected credit loss allowance)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	5.09	-
Additions	-	5.09
Reversals	-	-
Closing balance	**5.09**	**5.09**

NOTE 23 - CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax payments less provisions	28.42	14.21
	28.42	**14.21**

NOTE 24 - OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	165.86	164.77
Employee advances	11.82	9.91
Cenvat / Service tax input credit receivable	0.12	0.12
Amount due as refund of custom duty	-	3.70
Excise duty recoverable from Government authorities	0.05	1.26
VAT credit / WCT receivables	106.31	63.76
GST receivable	492.95	257.96
GST/Excise rebate receivable on exports	63.71	57.32
Prepaid expenses	130.52	96.74
Export benefits	33.96	31.92
Assets classified as held for sale (Refer Note 24.1)	3.07	3.11
	1,008.37	**690.57**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 24.1 Details of assets classified as held for sale

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Leasehold Land at Jaipur [(Refer Note 24.1 (a)]	2.45	2.45
Leasehold Land at Raibareli [(Refer Note 24.1 (b)]	0.62	0.66
Total	**3.07**	**3.11**

(a) The Company has signed Memorandum of understanding (MOU) against which the Company had received sales consideration amounting to ₹ 9.41 crore (as at March 31, 2021 ₹ 9.41 crore) (Refer Note 37 (a). However, the title and possession of the land is yet to be transferred due to pending approvals from regulatory authorities.

(b) Land situated at plot no. A03 of Raebareli plant was held for sale. The Company is looking for potential buyer and negotiations are in advanced stage with few buyers. The Company is planning to conclude the deal in next financial year.

NOTE 25 - SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	₹ in crore	Nos.	₹ in crore
Authorised:				
Equity Shares:				
Equity Shares of ₹ 2 each	570,000,000	114.00	570,000,000	114.00
Preference Shares:				
Redeemable Preference Shares of ₹ 100 each	1,500,000	15.00	1,500,000	15.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity Shares of ₹ 2 each fully paid up	257,088,370	51.42	257,088,370	51.42
	257,088,370	**51.42**	**257,088,370**	**51.42**

Note 25.1 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in crore
Equity Shares Outstanding as at April 01, 2020	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2021	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2022	**257,088,370**	**51.42**

Note 25.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

Sr. No.	Name of the shareholder*	As at March 31, 2022		As at March 31, 2021	
		Nos. of Shares Held	Percentage of Shares held	Nos. of Shares Held	Percentage of Shares held
1	Swallow Associates LLP	67,756,616	26.36	67,756,616	26.36
2	Summit Securities Limited	28,104,322	10.93	28,104,322	10.93
3	HDFC Trustee Company Limited	22,599,573	8.79	23,679,697	9.21
4	Instant Holdings Limited	22,207,827	8.64	22,207,827	8.64

** Shares held in multiple folios have been combined*

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 25.3 3,750 fully paid up Equity Shares of ₹ 2 each were allotted to a trustee against 1,688 equity shares of the erstwhile RPG Transmission Limited (RPGT), since merged in the Company in 2007-08, where rights were kept in abeyance by RPGT. On settlement of the relevant court cases/issues, the Equity Shares issued to the trustee will be transferred.

Note 25.4 The Company has only one class of Equity Shares having a face value of ₹ 2 each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company. The Company in General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller 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 preferential amounts.

Note 25.5 Shares held by promoters at the end of the year

S. No	Promoter name	As at March 31, 2022			As at March 31, 2021		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Promoter:							
1	Harsh Vardhan Goenka	5,042,917	1.96	-	5,042,917	1.96	0.07
Promoter Group:							
2	Anant Vardhan Goenka	40,000	0.02	-	40,000	0.02	-
3	Stellar Energy Trust (Mr.Harsh Vardhan Goenka is a Trustee)	100	-	-	100	-	-
4	Mala Goenka	50	-	-	50	-	-
5	RG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)	10	-	-	10	-	-
6	AVG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)	10	-	-	10	-	-
7	Ishaan Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	-	-	10	-	-
8	Navya Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	-	-	10	-	-
9	Radha Anant Goenka	10	-	-	10	-	-
10	Nucleus Life Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
11	Prism Estate Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
12	Secura India Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
13	Swallow Associates LLP	67,756,616	26.36	-	67,756,616	26.36	-
14	Summit Securities Limited	28,104,322	10.93	-	28,104,322	10.93	0.07
15	Instant Holdings Limited	22,207,827	8.64	-	22,207,827	8.64	0.08
16	STEL Holdings Limited	5,011,891	1.95	-	5,011,891	1.95	-
17	Carniwal Investments Limited	2,970,981	1.16	-	2,970,981	1.16	-
18	Chattarpati Apartments LLP	1,790,785	0.70	-	1,790,785	0.70	-
19	Ektara Enterprises LLP	10	-	-	10	-	-
20	Malabar Coastal Holdings LLP	10	-	-	10	-	-
21	Sofreal Mercantrade Pvt. Ltd.	10	-	-	10	-	-
22	Vayu Udaan Aircraft LLP	10	-	-	10	-	-
23	Sudarshan Electronics and TV Ltd.	1	-	-	1	-	-
24	RPG Ventures Limited	284,950	0.11	-	284,950	0.11	-
25	Atlantus Dwellings and Infrastructure LLP	10	-	-	10	-	-

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 26 - OTHER EQUITY

₹ in Crore

Particulars	Reserves and Surplus								Other Comprehensive Income			Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of Cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income(Remeasurement of defined benefit obligations)	
Notes	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
Balance as at April 01, 2020	84.98	0.04	86.75	14.28	38.75	0.95	152.98	2,366.39	(28.86)	33.97	(4.06)	2,746.16
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2020	84.98	0.04	86.75	14.28	38.75	0.95	152.98	2,366.39	(28.86)	33.97	(4.06)	2,746.16
Profit for the year	-	-	-	-	-	-	-	552.72	-	-	-	552.72
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	39.00	(32.41)	2.80	9.39
Total Comprehensive Income for the year	-	-	-	-	-	-	-	552.72	39.00	(32.41)	2.80	562.11
Transactions with owners in their capacity as owner												
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	(38.75)	-	38.75	-	-	-	-	-
Balance as at March 31, 2021	84.98	0.04	86.75	14.28	-	0.95	191.72	2,919.11	10.14	1.56	(1.26)	3,308.27
Balance as at April 01, 2021	84.98	0.04	86.75	14.28	-	0.95	191.72	2,919.11	10.14	1.56	(1.26)	3,308.27
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	84.98	0.04	86.75	14.28	-	0.95	191.72	2,919.11	10.14	1.56	(1.26)	3,308.27
Profit for the year	-	-	-	-	-	-	-	332.08	-	-	-	332.08
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	(1.78)	29.56	3.19	30.97
Total Comprehensive Income for the year	-	-	-	-	-	-	-	332.08	(1.78)	29.56	3.19	363.05
Transactions with owners in their capacity as owner												
Transfer to Statutory reserve	-	-	-	-	-	2.13	-	(2.13)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(102.81)	-	-	-	(102.81)
Balance as at March 31, 2022	84.98	0.04	86.75	14.28	-	3.08	191.72	3,146.25	8.36	31.12	1.93	3,568.51

Note (a) *Capital reserve was created on account of merger of RPG Cables Limited (RPGCL) with the Company pursuant to the Scheme of Amalgamation in the financial year 2009-2010.*

Note (b) *Capital Reserve on consolidation created on acquisition of two subsidiaries, where the net assets were more than the consideration paid in earlier years*

Note (c) *Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013.*

Note (d) *Capital Redemption Reserve was created for redemption of preference shares. The preference shares were redeemed in the financial years 2007-08 and 2008-09.*

Note (e) *Debentures redemption reserve was created towards redemption of debentures. Accumulated amount was transferred to General reserves on account of repurchase of all outstanding debentures.*

Note (f) *Statutory reserve pertains to the Jointly Controlled Operation at Saudi Arabia. In accordance with the Saudi Arabian Companies law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Jointly Controlled Operation. it also consists of Statutory reserve created at KEC Towers LLC, Dubai in accordance with UAE Company law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Subsidiary.*

Note (g) *General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.*

Note (h) *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.*

Note (i) *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, as described in accounting policy note 3.24.*

Note (j) *Foreign currency translation reserve pertains to exchange difference arising on translation of the foreign operation are recognised in other comprehensive income as described in accounting policy note 3.10 and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the net investment is disposed-off.*

Note (k) *Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.*

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 27 - BORROWINGS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
Measured at amortised cost:		
Term loans		
From banks		
Secured [Refer Note 27.1 (a)]	45.62	21.94
Unsecured [Refer Note 27.1 (b)]	420.14	278.63
Less : Current maturities of long-term debt (Refer Note 32)	(72.50)	(81.86)
	347.64	**196.77**
	393.26	**218.71**

Note 27.1 Term loans

(a) From banks: Secured

(i) ₹ 45.62 crore (As at March 31, 2021 ₹ 21.94 crore) External Commercial Borrowing loan from State Bank of India the loan is secured by first charge over construction Equipments present at all projects site relating to its Transmission, Railway and Civil business in India. Repayment terms is three equal yearly installments starting from August, 2025. Interest rates ranges from 1.72% to 2.06% p.a. (previous year 1.78% to 1.86% p.a.)

(ii) ₹ Nil (As at March 31, 2021 ₹*) secured by first charge, on plant and machinery of Brazil subsidiary of SAE Towers Holdings, LLC repayable in Brazilian Real (BRL). These loans bear fixed interest rates nil (previous year nil) and repayable in monthly principal payments during 2020 to 2022.

** less than rounding off norms adopted by the Group.*

(b) From Banks: unsecured:

(i) ₹ 150 crore (As at March 31, 2021 ₹ 150 crore) unsecured Term loan from Axis Bank. Repayment terms is in two equal half yearly instalments starting from September, 2023. The Fixed interest rate is 6.80% p.a.

(ii) ₹ Nil (As at March 31, 2021 ₹ 1.36 crore) pertained to a subsidiary at Brazil and repaid during the year. The interest rates were in the ranges of 12.95% to 13.42% p.a.

(iii) ₹ Nil (As at March 31, 2021 ₹ 1.10 crore) pertained to a subsidiary at Brazil and repaid during the year. The interest rates were in the ranges of 7.75% to 8.56% p.a.) and repaid during the year.

(iv) ₹ Nil (As at March 31, 2021 ₹ 11.77 crore) pertained to a subsidiary at Brazil and repaid during the year. The interest rates were in the ranges of 6.09% to 7.21%

(v) ₹ Nil (As at March 31, 2021 ₹ 114.40 crore) pertained to a subsidiary at Brazil and repaid during the year. The interest rates were in the ranges of 4.44% to 11.99% p.a.

(vi) ₹ 120.30 crore (Previous year nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2022 to 2024. The interest rates are in the ranges between 11.65% to 17.89% p.a. These loans are repayable in Brazilian Real (BRL).

(vii) ₹ 149.84 crore (previous year Nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2024 to 2025. The present rate of interest is 16.76% p.a. (previous year Nil). These loans are repayable in Brazilian Real (BRL).

(c) As at March 31, 2022 and March 31, 2021, the Group was in compliance with all of its debt covenants for borrowings.

NOTE 28 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease liabilities (Refer Note 54)	167.44	113.06
	167.44	**113.06**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 29 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
Provision for employee benefits		
- Gratuity, post employment benefits (Refer Note 57)	10.56	9.84
- Others (includes provision towards judicial deposits of a subsidiary) (Refer Note 29.1)	3.18	4.09
	13.74	**13.93**

Note 29.1 Provision towards judicial deposits*

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	4.09	3.84
Additions	-	0.37
Reversals	1.03	-
Effect of translation adjustment (gain) / loss	0.12	(0.12)
Closing balance	**3.18**	**4.09**

** These represents provision created for Judicial deposits kept with labour authorities of foreign subsidiaries related to various ongoing labour cases.*

NOTE 30 - DEFERRED TAX (LIABILITIES) / ASSETS (NET)

Note 30.1 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2021)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI Foreign Exchange adjustments	Closing Balance (As at March 31, 2022)
Deferred tax (liabilities)/Assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(43.27)	5.28		(0.22)	(38.21)
Undistributed earnings of jointly controlled operations	(41.94)	7.14			(34.80)
Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years	(0.23)	0.17			(0.06)
Allowance for doubtful debts, loans and advances	25.09	(4.61)			20.48
Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)	1.25		(0.97)	0.05	0.33
Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years	12.54	(0.86)			11.68
Provision for expected loss on construction contracts, etc.	0.05	5.07			5.12
Deferred tax on account of IND AS 116 - (Refer Note 54)	0.65				0.65
Asset held for sale	0.82				0.82
Net (Gain) / Losses on Cash flow hedges	(3.40)		0.60		(2.80)
Exchange differences on translation of foreign operations	(6.71)		(0.30)		(7.01)
Deferred Tax (Liabilities)/Assets (net)	**(55.15)**	**12.19**	**(0.67)**	**(0.17)**	**(43.80)**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Significant components of deferred tax assets (net) of subsidiaries are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2021)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI Foreign Exchange adjustments	Closing Balance (As at March 31, 2022)
Deferred tax (liabilities)/Assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(16.08)	(1.03)		2.10	(15.01)
Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss	(0.90)	2.43		0.32	1.85
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years	24.57	5.07		3.92	33.56
Tax loss carry forward*	56.00	114.26		29.58	199.84
Other Assets and deferred expenses	(1.66)	(1.69)		(2.76)	(6.11)
Deferred Tax (Liabilities)/Assets (net)	**61.93**	**119.04**	**-**	**33.16**	**214.13**

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*

Note 30.2 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2021 are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2020)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI Foreign Exchange adjustments	Closing Balance (As at March 31, 2021)
Deferred tax (liabilities)/Assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(66.53)	7.46	-	15.79	(43.28)
Undistributed earnings of jointly controlled operations	(49.25)	7.31	-	-	(41.94)
Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years	-	(0.23)			(0.23)
Mark to Market adjustments on derivatives measured at Fair Value through Profit or Loss (FVTPL)	(0.72)	-	-	0.72	-
Allowance for doubtful debts, loans and advances	17.25	7.84	-	-	25.09
Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)	1.86	-	(0.61)	-	1.25
Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years	21.46	4.20	-	(13.11)	12.55
Provision for expected loss on construction contracts, etc.	0.07	(0.02)	-	-	0.05
Asset held for sale	0.82	-	-		0.82
Deferred tax on account of 1st time adoption of IND AS 116 (Refer Note 54)	0.22	0.43			0.65
Other Assets and deferred expenses	(2.12)	-	-	2.12	-
Net (Gain) / Losses on Cash flow hedges	9.71		(13.11)		(3.40)
Exchange differences on translation of foreign operations	(7.85)		1.14		(6.71)
Deferred Tax (Liabilities)/Assets (net)	**(75.08)**	**26.99**	**(12.58)**	**5.52**	**(55.15)**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Significant components of deferred tax assets (net) of subsidiaries as at March 31, 2021 are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2020)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI	Closing Balance (As at March 31, 2021)
Deferred Tax (liabilities)/Assets in relation to :					
Property, plant and equipment and Intangible assets	(0.66)	0.13	-	(15.55)	(16.08)
Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss	-	(0.41)		(0.49)	(0.90)
Remeasurement of defined benefit obligations recognised through Other Comprehensive Income (OCI)	-	-	(0.39)	0.39	-
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years	11.92	1.51	-	11.14	24.57
Tax loss carry forward*	11.11	48.22	-	(3.33)	56.00
Other Assets and deferred expenses	-	0.37	-	(2.03)	(1.66)
Deferred Tax (Liabilities)/Assets (net)	**22.37**	**49.82**	**(0.39)**	**(9.87)**	**61.93**

Foot Note :

Deferred tax liabilities/ assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*

NOTE 31 - OTHER NON CURRENT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
Deferred Government Grant (Refer Note 71)*	0.47	-
	0.47	**-**

*Movement in Deferred Government Grant

₹ in Crore

Particulars	Amount
Balance as at March 31, 2021	-
Add: Received during the year	0.50
Less: Recognised as income during the year	0.01
Less: Disclosed as Other current liabilities (Refer Note 37)	0.02
Balance as at March 31, 2022	**0.47**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 32 - BORROWINGS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
I Loans repayable on demand		
From Banks		
Secured [Refer Note 32.1 (a)]	672.79	26.93
Unsecured [Refer Note 32.1 (b)]	153.79	125.59
	826.58	**152.52**
II Other short term borrowings		
From Banks		
Secured [Refer Note 32.2 (a)]	545.36	766.27
Unsecured [Refer Note 32.2 (a)]	65.93	-
Current Maturities of long term debt (unsecured)	72.50	81.86
	683.79	**848.13**
From other parties		
Secured [Refer Note 32.2 (b)]	190.80	208.35
Unsecured [Refer Note 32.2 (b)]	768.28	497.57
	959.08	**705.92**
	2,469.45	**1,706.57**

Note 32.1 Loans repayable on demand from banks:

(a) Secured

(i) ₹ 570.89 crore (As at March 31, 2021 ₹ 12.28 crore) secured by first charge on the entire current assets of the Company, both present and future (except specific export receivables financed by financial institutions and banks), second charge on fixed assets of the Company's manufacturing facilities situated at Jaipur, Jabalpur and Nagpur factories and further secured by first charge on flat situated at Juhu, Mumbai in favour of working capital consortium bankers. The interest rates are in the ranges from 5 % to 9.15% p.a. (previous year ranges from 5 % to 9.15% p.a)

(ii) ₹ 1.90 crore (As at March 31, 2021 ₹ 1.85 crore) secured by assignment of certain book debts and irrevocable Corporate Guarantee from the Company.The interest rates are in the ranges from 4.20% to 7.90% p.a. (previous year rate ranges from 4.20% to 7.90% p.a.).

(iii) Nil (As at March 31, 2021 ₹ 12.80 crore), pertains to a jointly controlled operation at Saudi Arabia secured by assignment of certain book debt and irrevocable Corporate Guarantee from the Company. The interest rates are in the ranges from 3.50% p.a to 4.50% p.a.

(iv) ₹ 100 crore (As at March 31, 2021 ₹ NIL), secured by GST receivable. The interest rates are in the ranges from 5.10% p.a to 5.15% p.a.

(b) Unsecured

(i) ₹ Nil (As at March 31, 2021 ₹ 100 crore) Unsecured loan from Bank of India.The interest rates is 6.60% p.a.

(ii) ₹ Nil (As at March 31, 2021 ₹ 25.59 crore) pertains to subsidiaries at Brazil. The interest rates are in the ranges from 3.05% to 4.05 % p.a.

(iii) ₹ 139.40 crore (As at March 31, 2021 Nil) pertains to subsidiary at Brazil The interest rates are in the ranges from 8.67% to 19% p.a.(previous year Nil).

(iv) ₹ 11.95 crore (As at March 31, 2021 Nil) pertains to subsidiary at Mexico. The interest rates are in the range of 4.47% to 9.47 % p.a.(previous year Nil)

(v) ₹ 2.44 crore (As at March 31, 2021 ₹ NIL), pertains to subsidiary KEC International (Malaysia) SDN BHD. The interest rates is 2.5% + KLIBOR.

Note 32.2 Other short-term borrowings

(a) From Banks-Secured

(i) ₹ 502.48 crore (As at March 31, 2021 ₹ 698.50 crore) secured by security stated against Note 32.1 (i) above. The interest rates are in the ranges from 0.50% to 1.70% p.a. (previous year ranges from 0.50% to 3.50% p.a.)

(ii) ₹ 42.88 crore (As at March 31, 2021 ₹ 67.77 crore) loan secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 2.90% to 3.30% p.a. (previous year interest rate ranges between 2.95% to 3.20 % p.a)

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Unsecured

(i) ₹ 65.93 crore (As at March 31, 2021 Nil) unsecured purchase and service bill discouting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro and Small Enterprises vendors. The interest rates ranges from 4.39% to 6.50% p.a.

(b) From Other Parties

Secured:

(i) ₹ 190.80 crore (As at March 31, 2021 ₹ 208.35 crore) secured by security stated against Note 32.1(i) above. The interest rates are in the ranges from 3.05% to 3.75% p.a. (previous year ranges from 3.50% to 3.75% p.a.)

Unsecured:

(i) ₹ 768.28 crore (As at March 31, 2021 ₹ 497.57 crore) being listed commercial papers issued on standalone basis. Said Commercial papers carries interest rate ranges between 4.53% p.a. to 5.18% p.a. (previous year 4.50% p.a. to 5.05% p.a.) (maturity ranges from 90 days to 180 days).

Note 32.3 The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts during current and previous year.

As at March 31, 2022 and March 31, 2021, the Group was in compliance with all of its debt covenants for borrowings.

NOTE 33 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Lease liabilities (Refer Note 54)	34.46	27.35
	34.46	**27.35**

NOTE 34 - TRADE PAYABLES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
(i) Total outstanding dues of micro and small enterprises (Refer Note 34.1)	154.83	129.29
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Acceptances	2,151.81	1,525.69
(b) Others	4,540.69	4,515.29
	6,692.50	**6,040.98**
	6,847.33	**6,170.27**

Note 34.1 Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the Group.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	135.79	114.41
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	1.38	1.35
(c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	17.66	13.53
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	4.16	4.98
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure.	19.04	14.88

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 34.2 Trade payable ageing schedule

As at March 31, 2022

₹ in Crore

Particulars	Outstanding for following periods from due date of payments							
	Dispute Status	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
Micro and Small enterprises	Disputed	-	-	-	-	-	-	-
	Undisputed	-	100.01	42.18	6.59	4.25	1.80	154.83
Other than Micro and Small enterprises	Disputed	-	0.38	0.01	0.23	0.05	0.33	1.00
	Undisputed	1,322.55	2,372.68	755.07	28.32	21.51	39.56	4,539.69
Acceptances		-	2,151.81	-	-	-	-	2,151.81
Total		**1,322.55**	**4,624.88**	**797.26**	**35.14**	**25.81**	**41.69**	**6,847.33**

As at March 31, 2021

₹ in Crore

Particulars	Outstanding for following periods from due date of payments							
	Dispute Status	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
Micro and Small enterprises	Disputed	-	-	-	-	-	-	-
	Undisputed	-	64.09	50.18	11.21	1.11	2.70	129.29
Other than Micro and Small enterprises	Disputed	-	2.16	1.82	2.54	1.99	6.29	14.80
	Undisputed	2,175.37	1,461.91	506.13	122.13	65.46	169.49	4,500.49
Acceptances		-	1,525.69	-	-	-	-	1,525.69
Total		**2,175.37**	**3,053.85**	**558.13**	**135.88**	**68.56**	**178.48**	**6,170.27**

NOTE 35 - OTHER FINANCIAL LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Interest accrued but not due on borrowings	12.21	3.21
(b) Unpaid / unclaimed dividends#	3.01	2.70
(c) Other payables		
- Interest accrued on acceptances and customer advance	0.72	0.39
- Payable towards purchase of property plant and equipment	16.40	5.27
- Directors' commission	6.39	9.38
	23.51	**15.04**
	38.73	**20.95**

 # The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

NOTE 36 - CONTRACT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Amount due to customers for contract work	793.22	686.15
(ii) Advance from customer	1,586.12	1,384.25
(iii) Interest on customer advance	31.53	8.23
	2,410.87	**2,078.63**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 37 - OTHER CURRENT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Advances against assets classified as held for sale [Refer Note 24.1(a)]	9.41	9.41
(b) Other payables:		
- Statutory remittances (contribution to PF and ESIC, withholding tax, VAT, TDS, GST, Service Tax, etc.)	109.40	81.05
- Liability towards Corporate Social Responsibility (Refer note 64)	3.13	4.27
- Deferred Govermment Grant (Refer Note 71)	0.02	-
- Others	-	0.17
	112.55	**85.49**
	121.96	**94.90**

NOTE 38 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for employee benefits:		
- Compensated absences (Refer Note 57)	37.31	34.82
- Gratuity, post employment benefits (Refer Note 57)	2.31	2.48
	39.62	**37.30**
(b) Provision - others:		
- Warranty provisions (Refer Note 38.1)	3.11	6.73
- Provision for litigation claims (Refer Note 38.2 and Note 38.3)	19.78	21.02
- Provision for foreseeable losses on construction contracts (Refer Note 38.4)	25.29	3.52
	48.18	**31.27**
	87.80	**68.57**

Note: 38.1 Warranty provisions

The Group bases its estimates of warranty cost on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The warranty provisions for various years are as follows:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	6.73	4.84
Additions	0.74	2.20
Utilisations /(reversals)	(4.71)	(0.10)
Effect of translation adjustment (gain) / loss	0.35	(0.21)
Closing balance	**3.11**	**6.73**

Note: 38.2

Provision for litigation claims represents liabilities that are expected to materialise on completion of negotiation/matters in appeals with judicial authorities.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	21.02	25.58
Additions	0.11	6.36
Reversals	0.80	10.92
Effect of translation adjustment (gain) / loss	0.55	-
Closing balance	**19.78**	**21.02**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note: 38.3

It includes provision of ₹ 12.63 crore related to an arbitration award passed against the company. The same is challenged by the company before Hon'ble Delhi High Court. The balance provision relate to various sales tax matters and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.

Note: 38.4 Movement in Provision for foreseeable losses on construction contracts

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	3.52	2.83
Additions	24.54	1.66
Reversals	2.78	1.01
Effect of translation adjustment (gain) / loss	0.01	0.04
Closing balance	**25.29**	**3.52**

NOTE 39 - CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax liabilities less payments	89.66	119.05
	89.66	**119.05**

NOTE 40 - REVENUE FROM OPERATIONS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a) Sale of products (Refer Note 53)		
- Towers and structurals	516.92	899.76
- Cables	859.09	764.73
	1,376.01	**1,664.49**
(b) Construction contracts revenue (Refer Note 53)		
- Transmission and distribution	6,093.93	6,600.91
- Other EPC	6,019.36	4,691.98
	12,113.29	**11,292.89**
(c) Sale of services (Refer Note 53)		
- Tower testing and design revenue	15.96	29.22
- Operating and maintenance revenue	8.53	6.34
	24.49	**35.56**
(d) Other operating revenue		
- Scrap sales	216.97	117.77
- Others	11.50	3.49
	228.47	**121.26**
	13,742.26	**13,114.20**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 41 - OTHER INCOME

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a) Interest income earned on financial assets that are not designated at fair value through profit or loss:		
(i) Bank deposits (at amortised cost)	1.31	0.44
(ii) Other financial assets carried at amortised cost	2.68	3.49
	3.99	**3.93**
(b) Interest income earned on financial assets that are designated at fair value through profit or loss:		
- Interest on Commercial Paper	1.36	0.44
	1.36	**0.44**
(c) Other Interest Income		
(i) Excise and VAT refund	0.19	0.07
(ii) Income tax refund	5.02	0.30
	5.21	**0.37**
(d) Government Grant (Refer Note 71)	0.16	-
(e) Other non-operating income		
- Guarantee charges	0.32	0.51
- Profit on sale of property, plant and equipment (net)*	0.86	8.15
- Miscellaneous income	1.53	16.52
	2.71	**25.18**
	13.43	**29.92**

** Previous year figure includes ₹ 7.05 crore as profit on sale of land*

NOTE 42 - COST OF MATERIALS CONSUMED)

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cost of materials consumed (including project bought outs)	6,090.81	5,696.99
	6,090.81	**5,696.99**

NOTE 43 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening stock		
Finished goods	195.93	160.34
Work-in-progress	85.47	124.67
	281.40	**285.01**
Less: Closing stock		
Finished goods	227.29	195.93
Work-in-progress	195.90	85.47
	423.19	**281.40**
	(141.79)	**3.61**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 44 - ERECTION AND SUB-CONTRACTING EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Erection / construction materials consumed	1,161.38	1,032.55
Stores consumed	63.00	40.76
Sub-contracting expenses	2,720.41	2,407.18
Power, fuel and water charges	48.45	28.60
Construction transport	123.50	102.58
Machinery Hire charges	190.27	121.48
Others	202.14	173.86
	4,509.15	**3,907.01**

NOTE 45 - EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries and wages	1,154.78	1,010.79
Contribution to provident fund and other funds	33.29	34.27
Staff welfare expenses	70.59	70.03
	1,258.66	**1,115.09**

NOTE 46 - FINANCE COSTS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest expense for financial liabilities not classified at FVTPL	303.93	252.19
Interest expense on lease liabilities	6.78	5.21
Other borrowing costs (processing fees, etc.)	5.29	5.29
	316.00	**262.69**

NOTE 47 - DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer Note 5)	105.87	99.16
Depreciation on Right-of-use Assets (Refer Note 6)	25.06	27.13
Amortisation of intangible assets (Refer Note 9)	26.93	26.24
	157.86	**152.53**

NOTE 48 - OTHER EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Tools, non-erection stores and maintenance spares	17.48	16.97
Power and fuel	62.53	51.03
Rent	44.62	37.61
Rates and taxes, excluding taxes on income (net)	59.59	59.76
Insurance	105.98	88.58
Bank (guarantee, letter of credit and other) charges	96.52	97.79
Commission	25.63	68.05
Freight and forwarding (net)	279.03	342.13

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Repairs to buildings	5.99	4.65
Repairs to plant and equipment	15.14	16.75
Repairs to other property, plant and equipment	16.59	12.25
Travelling and conveyance	88.24	67.11
Payment to statutory auditors (net of Goods and service tax input credit, where applicable)		
- as auditors (for audit of financial statements and limited reviews)	1.92	1.17
- for tax audit	0.08	0.08
- for certification work	0.75	1.71
- for reimbursement of expenses	0.01	0.02
	2.76	**2.98**
Professional fees	111.76	113.01
Bad debts, loans and advances written off	6.99	51.48
Less: Adjusted against allowance for bad and doubtful debts, loans and advances	(17.67)	(9.05)
	(10.68)	**42.43**
Allowance for bad and doubtful debts, loans and advances (net)	28.24	41.38
Directors' fees	0.71	0.61
Loss on property, plant and equipment discarded	0.67	0.86
Net gain on foreign currency transactions (Refer Note 48.2)	(61.02)	(11.37)
Corporate Social Responsibility (Refer Note 64)	13.81	11.81
Miscellaneous expenses (Refer Note 48.1)	218.34	185.90
	1,121.93	**1,250.29**

Note: 48.1 Miscellaneous expenses shown above include fees of ₹ 1.92 crore (Previous Year ₹ 1.98 crore) paid to branch auditors, fees of ₹ 0.40 crore for auditors of jointly controlled operations (Previous year ₹ 0.29 crore), fees of ₹ 2.20 crore for auditor of subsidiaries (Previous year ₹ 1.79 crore) and fees of ₹ 0.07 crore (Previous year ₹ 0.07 crores) paid to the cost auditors.

Note: 48.2 Net gain on foreign currency transactions includes gain on derivative instruments ₹ 18.22 crore (previous year gain ₹ 2.07 crore).

NOTE 49 - EXCEPTIONAL ITEM

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Trade receivable written off (Refer Note 66)	43.64	-
	43.64	**-**

NOTE 50 - INCOME TAX RECOGNIZED IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Current tax		
In respect of the current year	200.73	274.29
In respect of prior years	(2.15)	5.71
	198.58	**280.00**
Deferred tax		
In respect of the current year	(124.32)	(76.81)
In respect of prior years	(6.91)	-
	(131.23)	**(76.81)**
Total income tax expense recognised in the Consolidated Statement of Profit and Loss	**67.35**	**203.19**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 50.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Consolidated Statement of Profit and Loss is as follows :

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit after exceptional item and before tax	399.43	755.91
Indian Statutory income tax rate	25.17%	25.17%
Income tax expense	**100.54**	**190.26**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	1.09	4.23
Corporate social responsibility expenditure	3.48	1.97
Donation	-	1.38
Tax effect of amounts taxable at lower tax rates/ different tax rates	1.36	6.13
Effect of different tax rates of subsidiaries operating in other jurisdictions	(31.01)	(12.87)
Foreign Tax credit not available	2.14	7.19
Effect of deferred tax liabilities on temporary adjustments of subsidiaries operating in other jurisdiction	(0.16)	0.22
Tax effect due to business combination adjustment on account of merger and acquisition	(1.03)	(1.03)
	76.41	**197.48**
Adjustments recognised in the current year in relation to prior years	(9.06)	5.71
Income tax expense in the Consolidated Statement of Profit and Loss	**67.35**	**203.19**

The tax rate used for the financial years 2021-22 and 2020-21 reconciliations above is the corporate tax rate of 25.17% payable by the corporate entities in India on taxable profits under the Indian tax law.

Note 50.2 Income tax recognised in other comprehensive income

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
- Translation of foreign operations and subsidiaries	(0.30)	1.14
- Net gain on designated portion of hedging instruments	0.60	(13.11)
- Remeasurement of defined benefit obligations	(0.97)	(1.00)
	(0.67)	**(12.97)**
Total income tax recognised in other comprehensive income	**(0.67)**	**(12.97)**
Bifurcation of the income tax recognised in other comprehensive income into :		
- Items that will not be reclassified to profit or loss	(0.97)	(1.00)
- Items that will be reclassified to profit or loss	0.30	(11.97)
	(0.67)	**(12.97)**

NOTE 51 - EARNINGS PER SHARE

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ Per Share)	(₹ Per Share)
(a) Basic earnings per share	12.92	21.50
(b) Diluted earnings per share	12.92	21.50

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit for the year attributable to the equity share holders of the Company	332.08	552.72
Earnings used in the calculation of basic/diluted earnings per share	**332.08**	**552.72**

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Weighted average number of equity shares for the purpose of basic/diluted earnings per share	257,088,370	257,088,370

NOTE 52 - JOINTLY CONTROLLED OPERATIONS

Details of the Group's Jointly Controlled Operations are as under:

	Particulars	Ownership Interest As at March 31, 2022	Ownership Interest As at March 31, 2021
a)	**Jointly Controlled Operations**		
i	Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer Note 52 (b)(i)]	51.10%	51.10%
ii	EJP KEC Joint Venture, South Africa	50.00%	50.00%
iii	KEC – ASSB JV, Malaysia	67.00%	67.00%
iv	KEC – ASIAKOM – UB JV	60.00%	60.00%
v	KEC – ASIAKOM JV	51.00%	51.00%
vi	KEC – DELCO – VARAHA JV	80.00%	80.00%
vii	KEC – VARAHA – KHAZANA JV	80.00%	80.00%
viii	KEC – VALECHA – DELCO JV	51.00%	51.00%
ix	KEC – SIDHARTH JV	80.00%	80.00%
x	KEC – TRIVENI – KPIPL JV	55.00%	55.00%
xi	KEC – UNIVERSAL JV	80.00%	80.00%
xii	KEC – DELCO – DUTSAN JV	51.00%	51.00%
xiii	KEC – ANPR – KPIPL JV	60.00%	60.00%
xiv	KEC – PLR – KPIPL JV	55.00%	55.00%
xv	KEC – BJCL JV	51.00%	51.00%
xvi	KEC – KIEL JV	90.00%	90.00%
xvii	KEC – ABEPL JV	90.00%	90.00%
xviii	KEC – TNR INFRA JV	51.00%	51.00%
xix	KEC – SMC JV	51.00%	51.00%
xx	KEC – WATERLEAU JV	51.00%	51.00%
xxi	KEC – CCECC JV (RAILWAY)	74.00%	74.00%
xxii	KEC – CCECC JV (CIVIL)	74.00%	74.00%
xxiii	CCECC – KEC JV (CIVIL)	98.50%	98.50%
xxiv	LONGJIAN – KEC JV	98.50%	98.50%
xxv	MBPL – KEC JV	49.00%	49.00%
xxvi	VNC – KEC JV	49.00%	49.00%
xxvii	HCC – KEC CONSORTIUM	49.00%	-
xxviii	KEC – VNC CONSORTIUM	50.00%	-
xxix	KEC – SPML JV	70.00%	-

b)(i) KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Limited', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which holds 48.90% in Al Sharif JV. Al Sharif JV is a “Subsidiary” of the Company under the Companies Act, 2013. However, based on the control assessment under Ind AS, considering the nature of arrangement, Al Sharif JV has been classified as jointly controlled operation.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

In addition to this, Al Sharif JV is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself, the internal agreements (contractual arrangements) entered into between the parties to the joint arrangements for the execution of projects (turnkey contracts) reverses or modifies the rights and obligations conferred by the legal form and establishes and define their respective rights and obligations on these projects. As per these contractual arrangements, the parties to the joint arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

ii) The Group account for assets, liabilities, revenue and expenses relating to its interest in jointly controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects, which in some cases are different than the ownership interest disclosed above.

Accordingly, the Group has recognised its share in total income from operations ₹ 1,346.18 crore (for the year ended March 31, 2021 ₹ 1,129.84 crore), total expenditure (including tax) ₹ 1,332.01 crore (for the year ended March 31, 2021 ₹ 1,103.17 crore), total assets as at March 31, 2022 ₹ 1,251.99 crore (as at March 31, 2021 ₹ 987.25 crore) and total liabilities as at March 31, 2022 ₹ 1,063.23 crore (as at March 31, 2021 ₹ 821.78 crore) in Jointly Controlled Operations.

iii) The Group has entered into certain Joint Venture (JV) agreements with other entities for execution of various projects. Though the legal form of all these joint arrangements is a "joint venture", these JVs are not jointly controlled by both the parties as per the requirements of "IND-AS 111 - Joint Arrangements". The work is carried out by each JV partner based on the scope defined for respective parties. Accordingly, the Group has recognised revenue, expenses, assets and liabilities related to its own share of work in standalone financials and respective financials of these JVs are not considered for the puspose of consolidation.

iv) Figures in respect of the Company's Jointly Controlled Operations as mentioned above, have been incorporated on the basis of financial statements audited by the auditors of the respective Jointly Controlled Operations.

NOTE 53 - REVENUE FROM CONTRACTS WITH CUSTOMERS

53.1 Disaggregation of revenue from contracts with customers

The Group has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Group derives revenue from the transfer of goods and services in the following major product lines and geographical regions:

₹ in Crore

For the year ended March 31, 2022	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Oil & Gas Pipelines	Total
Segment revenue								
- India	2,530.68	4,184.25	2,470.09	1,372.87	15.50	51.26	180.74	10,805.39
- UAE	232.50	-	-	0.43	-	-	-	232.93
- Brazil, Mexico & USA	820.10	-	-	-	-	-	-	820.10
- Geographies other than above	3,614.18	-	-	113.90	0.01	-	-	3,728.09
Less: Inter-segment (SBU) revenue								
- India	34.18	381.06	582.42	628.13	-	-	5.25	1,631.04
- UAE	44.84	-	-	-	-	-	-	44.84
- Brazil, Mexico & USA	0.45	-	-	-	-	-	-	0.45
- Geographies other than above	396.39	-	-	-	-	-	-	396.39
Revenue from external customers	**6,721.60**	**3,803.19**	**1,887.67**	**859.07**	**15.51**	**51.26**	**175.49**	**13,513.79**
Timing of revenue recognition								
- At a point in time	531.86	-	2.68	859.07	6.85	-	-	1,400.47
- Over time	6,189.74	3,803.19	1,884.99	-	8.66	51.26	175.49	12,113.33
	6,721.60	**3,803.19**	**1,887.67**	**859.07**	**15.51**	**51.26**	**175.49**	**13,513.79**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

For the year ended March 31, 2021	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Oil & Gas Pipelines	Total
Segment revenue								
- India	2,421.76	3,388.86	1,078.38	921.10	127.61	52.89	-	7,990.59
- UAE	625.13	-	-	4.93	-	-	-	630.06
- Brazil, Mexico & USA	1,122.52	-	-	-	-	-	-	1,122.52
- Geographies other than above	3,541.03	-	-	119.07	20.21	-	-	3,680.31
Less: Inter-segment (SBU) revenue								
- India	82.10	4.34	3.64	257.72	-	-	-	347.80
- UAE	8.60	-	-	-	-	-	-	8.60
- Brazil, Mexico & USA	2.96	-	-	-	-	-	-	2.96
- Geographies other than above	71.19	-	-	-	-	-	-	71.19
Revenue from external customers	**7,545.59**	**3,384.52**	**1,074.74**	**787.38**	**147.82**	**52.89**	**-**	**12,992.94**
Timing of revenue recognition								
- At a point in time	926.04	-	2.57	764.74	6.69	-	-	1,700.04
- Over time	6,619.55	3,384.52	1,072.17	22.64	141.13	52.89	-	11,292.90
	7,545.59	**3,384.52**	**1,074.74**	**787.38**	**147.82**	**52.89**	**-**	**12,992.94**

The Group recognised revenue amounting to ₹ 351.62 crore (for the year ended March 31, 2021, ₹ 317.48 crore) in the current reporting period that was included in Amount due to customers for contract work balance as at March 31, 2021.

53.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period March 31, 2022 is ₹ 23,716 crore (for the year ended March 31, 2021, ₹ 19,109 crore). On an average, transmission, distribution, railway and civil composite contracts have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 50% to 60% of the transaction price allocated to unsatisfied contracts as of March 31, 2022 will be recognised as revenue during next reporting period depending upon the progress on each contract.

The remaining amount is expected to be recognised in subsequent years, with largely in year 2.

The amount disclosed above does not include variable consideration.

53.3 There are no reconciliation items of revenue recognised from contracts with customers and contract price.

53.4 In case of transmission and distribution projects, where the goods are procured from a third party, the Group makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Group is significantly involved in designing and manufacturing the procured material and there is no significant time gap involved between transfer of control and installation, there is no impact on revenue recognized. There is significant judgement involved in making this assessment.

NOTE 54 - LEASES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The Balance sheet shows the following amounts relating to leases:		
Right-of-use assets (Refer Note 6)		
Buildings	78.72	61.57
Plant & Machinery	0.56	2.24
Vehicles	0.06	0.63
Land	151.98	109.96
	231.32	**174.40**
Lease liabilities		
Current (Refer Note 33)	34.46	27.35
Non-current (Refer Note 28)	167.44	113.06
	201.90	**140.41**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii)	**Amounts recognised in statement of profit and loss**		
	Depreciation charge on Right of use assets (Refer Note 6)		
	Buildings	16.13	19.03
	Plant & Machinery	1.15	1.56
	Vehicles	0.31	0.64
	Land	7.47	5.90
		25.06	**27.13**
(iii)	Interest expense included in finance cost	6.78	5.21
(iv)	Expense relating to short-term leases (included in other expenses)	44.62	37.76
(v)	Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
(vi)	Expense relating to variable lease payments not included in lease liability	0.01	0.03
(vii)	Amount recognised in profit and loss arising from rent concessions (refer note 54.1) - (gain) / loss	-	(1.60)

(a) Total cash outflow for leases during current financial year is ₹ 27.15 crore (previous year ₹ 25.58 crore)

(b) Additions to the Right-of-use assets during the current financial year is ₹ 78.71 crore (previous year ₹ 21.34 crore)

(c) There are no sale & leaseback transactions.

(d) Payments associated with short-term leases of equipment, vehicles and all leases of low-value assets are recognised on straight line basis as an expense in profit or loss.

(e) Short term leases are leases with a lease of 12 months or less. There are no low value assets during the current year.

(f) When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate. The weighted average incremental borrowing rate applied is 5.87% (Previous year: 6.00%)

Note 54.1

The Group has applied the practical expedient for all qualifying rent concessions and the concessions have been accounted as variable lease payments in the period in which they are granted.

NOTE 55 - FINANCIAL INSTRUMENTS

55.1 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 27 and 32 offset by cash and bank balances in Notes 18 and 19) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Gearing ratio

The gearing ratio at end of the reporting period is as follows :

₹ in Crore

Particulars		As at March 31, 2022	As at March 31, 2021
Debt *	A	2,874.92	1,928.49
Cash and bank balances	B	261.94	249.17
Net debt (C)	C=A-B	2,612.98	1,679.32
Total equity	D	3,619.93	3,359.69
Net debt to equity ratio (E)	**E=C/D**	**0.72**	**0.50**

** Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in **Notes 27 and 32** and includes interest accrued but not due on borrowings.*

55.2 Categories of financial instruments

₹ in Crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Non-current investment						
- Investment in equity instruments	-	★	-	-	★	-
- Investment in commercial paper	12.64	-	-	1.06	-	-
Trade receivables #	-	-	5,573.79	-	-	5,566.82
Cash and bank balances	-	-	261.94	-	-	249.17
Loans	-	-	-	-	-	31.49
Other financial assets						
- Derivative instruments						
i) Forward exchange contracts **	14.03	4.21	-	2.07	11.70	-
ii) Over the counter (OTC) commodity derivative contracts%	-	7.23	-	-	1.70	-
- Others	-	-	126.45	-	-	167.20
Financial liabilities						
Borrowings	-	-	2,874.92	-	-	1,928.49
Trade payables	-	-	6,847.33	-	-	6,170.27
Other financial liabilities						
- Others	-	-	228.42	-	-	158.15

** less than rounding off norms adopted by the Group.*

 # Trade receivables pledged as collateral for borrowings - Refer Notes 27 and 32

*** Includes impairment loss on MTM on forward contracts amounting to ₹ 0.02 crores.*

% Includes hedge ineffectiveness on commodity contracts amounting to ₹ 0.24 crores.

FVPL - Fair Value Through Profit or Loss

FVOCI - Fair Value Through Other Comprehensive Income

55.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of currency risk and commodity price risk by using derivative and non derivative financial instruments to hedge risk exposures. The Group has Risk Management Policies to mitigate the risks in commodity and foreign exchange. The use of financial derivatives and non-derivatives is governed by the Company's policies approved by the Board of Directors (BOD), which provide written principles to use financial derivatives and non-derivative financial instruments, to hedge currency risk and commodity price risk. The Group does not enter into or trade financial instruments, including derivative financial instruments and non-derivative financial instruments, for speculative purposes.

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

The Treasury Department prepares and submits the report on performance along with the other details relating to forex and commodity transaction to the Risk Management Committee. The periodical forex management report and commodity risk report as reviewed and approved by the Risk Management Committee is placed before the Audit Committee for review.

55.4 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see Notes 55.5 and 55.10 below) and commodity prices (see Note 55.8 below). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- foreign currency forward contracts to hedge the exchange rate risk arising from execution of international projects.
- Commodity Over the Counter (OTC) derivative contracts to hedge the Price Risk for base metals such as Copper, Aluminium, Zinc and Lead.

Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the approved guidelines set by the Board of Directors.

55.5 Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions in various currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows.

Following is the foreign currency exposure of the Group:

₹ in Crore

Particulars	USD	BRL	EUR	Others	Total
As at March 31, 2022					
Assets	2,189.30	167.81	633.18	1,624.87	4,615.16
Liabilities	(1,703.80)	(691.28)	(205.03)	(726.24)	(3,326.35)
As at March 31, 2021					
Assets	2,047.11	151.81	591.96	1,751.78	4,542.65
Liabilities	(1,882.15)	(285.91)	(99.38)	(911.73)	(3,179.18)

55.6 Sensitivity for above exposures:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from financial instruments in the books of foreign operations whose Functional currency is other than INR.

5% appreciation / depreciation in the functional currency of the Group, with respect to foreign currency, will have following impact on profit / (loss) before tax and equity [gains / (losses)]:

₹ in Crore

Exposure to currencies	Change in rate	Impact on profit before tax		Impact on equity	
		For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	+5%	**(15.78)**	(17.27)	**(8.49)**	9.02
	-5%	**15.78**	17.27	**8.49**	(9.02)
BRL	+5%	**-**	-	**26.17**	6.71
	-5%	**-**	-	**(26.17)**	(6.71)
EUR	+5%	**(22.13)**	(25.27)	**0.72**	0.64
	-5%	**22.13**	25.27	**(0.72)**	(0.64)
Others	+5%	**(34.05)**	(32.23)	**(10.88)**	(9.78)
	-5%	**34.05**	32.23	**10.88**	9.78

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

55.7 Forward exchange contracts

The Company has adopted a Risk Management Policy approved by the Board of Directors of the Company for managing foreign currency exposure. The policy enumerates the mechanism for Risk Identification, Risk Measurement and Risk Monitoring. The policy has approved a set of financial instruments for hedging foreign currency risk. The Group mainly uses forward contracts to manage the foreign currency risk.

The following table details the foreign currency (FC) forward contracts outstanding at the end of the reporting period:

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets / (liabilities) (₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Buy USD/INR						
Less than 3 months	**0.03**	0.42	**2.16**	31.09	**(0.01)**	0.02
Sell USD/INR						
Less than 3 Months	**1.66**	-	**125.87**	-	**1.13**	-
3 to 6 months	**1.10**	1.76	**83.42**	131.73	**0.44**	(0.36)
More than 6 Months	**8.23**	3.76	**623.67**	286.66	**2.90**	0.86
Sell EURO/ USD						
Less than 3 Months	**0.86**	0.27	**72.54**	22.78	**1.30**	(0.31)
3 to 6 months	**-**	2.05	**-**	177.28	**-**	0.46
More than 6 Months	**1.64**	2.55	**138.03**	222.73	**4.13**	2.68
Sell EURO/ INR						
Less than 3 Months	**1.24**	0.31	**104.48**	27.91	**3.58**	1.11
More than 6 Months	**0.91**	2.83	**76.73**	255.09	**1.10**	0.08
Buy EURO/ INR						
Less than 3 Months	**0.01**	-	**0.66**	-	**(0.00)**	-
Buy USD/MYR						
3 to 6 months	**-**	1.29	**-**	22.46	**-**	(0.20)
Buy JPY/INR						
Less than 3 months	**-**	79.95	**-**	55.47	**-**	(2.34)
3 to 6 months	**-**	5.26	**-**	3.81	**-**	(0.27)
BUY JPY/USD						
Less than 3 months	**0.62**	54.11	**0.39**	36.83	**(0.91)**	(1.05)
3 to 6 months	**0.57**	57.82	**0.35**	39.99	**(0.62)**	(1.76)
BUY GBP/USD						
Less than 3 months	**-**	0.20	**-**	17.94	**-**	2.27
Sell AUD/USD						
Less than 3 months	**-**	0.01	**-**	0.37	**-**	(0.00)
Sell AUD/INR						
Less than 3 months	**-**	0.02	**-**	0.94	**-**	0.01
Buy USD/ BRL						
Less than 3 Months	**-**	0.16	**-**	11.98	**-**	0.78
3 to 6 months	**-**	0.01	**-**	0.85	**-**	0.08
Buy EUR / BRL						
Less than 3 Months	**-**	0.01	**-**	1.18	**-**	0.01
Buy USD/ EURO						
Less than 3 Months	**0.11**	-	**8.10**	-	**0.99**	-
Total					**14.03**	2.07

The line-items in the balance sheet that include the above instruments are “Other financial assets”.

For the year ended March 31, 2022, the aggregate amount of realised gain under foreign currency forward contracts recognised in the Statement of Profit and Loss is ₹ 61.18 Crore (for the year ended March 31, 2021 : ₹ 11.96 Crore).

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

In respect of the Group's foreign currency forward contract (buy), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate loss/(gain) of (₹ 3.04 crore) / ₹ 6.56 crore and loss of ₹ 1.62 crore / ₹ 4.55 crore for the year ended March 31, 2022 and the year ended March 31, 2021 respectively, in the Group's Statement of Profit and Loss.

In respect of the Group's foreign currency forward contract (sell), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate (loss) / gain of (₹ 47.89 crore) / ₹ 77.07 crore and (loss) /gain of (₹ 51.48 core) / ₹ 59.70 crore for the year ended March 31, 2022 and the year ended March 31, 2021 respectively, in the Group's Statement of Profit and Loss.

The Group has designated following forward contracts as cash flow hedges which are outstanding as under:

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets / (liabilities) (₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sell USD/INR						
Less than 3 months	**0.60**	0.40	**45.47**	30.30	**0.73**	0.73
More than 6 Months	**1.10**	-	**83.37**	-	**0.93**	-
Buy USD/INR						
Less than 3 months	**0.80**	-	**60.63**	-	**(0.35)**	-
Sell EUR/INR						
Less than 3 months	**0.40**	1.19	**33.64**	108.97	**3.19**	5.66
More than 6 Months	**1.00**	1.49	**84.10**	139.21	**(0.29)**	5.31
Total					**4.21**	11.70

The line-items in the balance sheet that include the above instruments is "Cash-flow hedge reserve".

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

Year	Risk Hedged	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
March 31, 2022	Foreign exchange risk	5.62	0.03	13.11	Revenue
March 31, 2021	Foreign exchange risk	34.51	-	18.28	Revenue

In respect of the Group's foreign currency forward contract (Buy), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate (loss) / gain of ₹ 3.45 crore / (₹ 2.74 crore) for the year ended March 31, 2022 in the Group's Statement of Other Comprehensive Income.

In respect of the Group's foreign currency forward contract (sell), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate (loss) / gain of (₹ 8.40 crore) / ₹ 17.53 crore and (loss) /gain of (₹ 1.71 crore) / ₹ 24.96 crore for the year ended March 31, 2022 and for the year ended March 31, 2021, in the Group's Statement of Other Comprehensive Income.

55.8 Commodity price risk

The Group is exposed to movement in metal commodity prices of Copper, Aluminium, Zinc and Lead. Most of our contracts with the Indian customers are backed by a price variation for most of these metals. However, profitability in case of firm price orders is impacted by movement in the prices of these metals. The Company has a well defined hedging policy approved by Board of Directors of the Company, which to a large extent takes care of the commodity price fluctuations and minimizes the risk. For base metals like Aluminium, Copper, Zinc and Lead, the Group either places a firm order on the supplier or hedges its exposure on the London Metal Exchange (LME) directly.

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Outstanding commodity contracts :

Cash flow hedges (Buy Commodity Contracts)		Foreign currency (USD in Crore)				Nominal Amount (₹ in Crore)				Fair value assets / (liabilities) (₹ in Crore)			
		Aluminium	Copper	Zinc	Lead	Aluminium	Copper	Zinc	Lead	Aluminium	Copper	Zinc	Lead
As at March 31, 2022	Less than 3 months	0.39	1.22	-	0.07	29.07	90.58	-	5.20	0.64	4.74	-	0.24
	3 to 6 months	0.05	0.17	-	0.05	3.70	12.95	-	3.44	0.21	1.14	-	0.26
As at March 31, 2021	Less than 3 months	0.31	0.59	0.18	0.10	22.83	43.89	13.40	7.35	1.23	(0.31)	0.68	(0.16)
	3 to 6 months	-	-	0.01	0.01	-	-	0.74	0.68	-	-	0.31	(0.05)

In respect of the Group's commodity derivative contracts, a 10% appreciation/depreciation of all commodity prices underlying such contracts, would have resulted in an approximate gain/(loss) of ₹ 14.97 crore / (₹ 0.50 crore) and an approximate gain/(loss) of ₹ 10.62 crore / (₹ 7.16 crore) in the Statement of other comprehensive income for the year ended March 31, 2022 and for the year ended March 31, 2021 respectively.

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

Year	Risk hedged	Change in the value of the hedging instrument recognised in other comprehensive income/(loss)	Hedge ineffectiveness recognised in statement of profit and (loss)	Amount reclassified from cash flow hedging reserve to statement of profit and (loss)	Line item affected in statement of profit and loss because of the reclassification
March 31, 2022	Commodity price risk	37.06	0.38	31.15	Cost of materials consumed
March 31, 2021	Commodity price risk	110.07	*	74.33	Cost of materials consumed

** less than rounding off norms adopted by the group.*

55.9 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Group's major customers includes government bodies and public sector undertakings. Further, many of the International projects are funded by the multilateral agencies such as World Bank, African Development Bank, Asian Development Bank, etc. For private customers, the Group evaluates the creditworthiness based on publicly available financial information and the Group's historical experiences. The Group's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amounts of financial assets are net of an allowance for doubtful accounts, estimated by the Group and based, in part, on the age of specific receivable balance and the current and expected collection trends. When assessing the credit risk associated with its receivables, the Group also considers the other financial and non-financial assets and liabilities recognized within the same project to provide additional indications on the Group’s exposure to credit risk. As such, in addition to the age of its Financial Assets, the Group also considers the age of its contracts in progress, as well as the existence of any deferred revenue or down payments on contracts on the same project or with the same client.

The Group has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit loss experiences within this period. The historical loss rates are adjusted to reflect current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables. The expected credit loss is based on the ageing of the days, the receivables due and the expected credit loss rate. In addition, in case of event driven situation as litigations, disputes, change in customer's credit risk history, specific provisions are made after evaluating the relevant facts and expected recovery.

Refer Note 11, 12, 17 and 22 for ECL provisioning and its movement on financial assets carried at amortised cost.

Concentration risk: As at the year ending March 31, 2022, one customer is exceeding 10% of the Group's total trade receivables, which were two as at March 31, 2021.

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In addition the Group is exposed to credit risk in relation to financial guarantees given by the Group on behalf of its jointly controlled operations (net of Company's share). The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on (net of Company's share in jointly controlled operations), as at March 31, 2022 is ₹ 84.33 crore (as at March 31, 2021; ₹ 46.01 crore). These financial guarantees have been issued to the banks / customers on behalf of the jointly controlled operations under the agreements entered into by the jointly controlled operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Group considers the likelihood of any claim under the guarantee is remote.

Cash and cash equivalents:
As at the year end, the Group held cash and cash equivalents of ₹ 207.63 crore (March 31, 2021 ₹ 199.79 crore). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

Other Bank Balances:
Other bank balances are held with bank and financial institution counterparties with good credit rating.

Derivatives:
The derivatives are entered into with bank and financial institution counterparties with good credit rating.

Other financial assets:
Other financial assets are neither past due nor impaired.

55.10 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates.

The Company's exposures to interest rates changes at the end of the reporting period are as follows :

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate instruments (including interest bearing acceptances)	3,303.82	2,504.12
Fixed rate instruments	1,710.69	946.85
Total	**5,014.51**	**3,450.97**

55.11 Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's :

Profit for the year ended March 31, 2022 would decrease/increase by ₹ 16.52 Crore (for the year ended March 31, 2021 : decrease/ increase by ₹ 12.52 Crore). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

During the year, the Group's sensitivity in interest rate has increased due to increase in variable debt instruments compared to last year.

55.12 Liquidity risk management

The Board of Directors of the Company have established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are linked to floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Crore

Particulars	Less than 1 year	1-3 Years	3-5 Years	More than 5 years	Total	Carrying Amount
As at March 31, 2022						
Interest bearing liabilities	4,621.25	347.64	45.62	-	5,014.51	5,014.51
Lease liabilities	37.24	51.87	40.26	175.36	304.73	201.90
Trade payables	4,695.53	-	-	-	4,695.53	4,695.53
Other financial liabilities	38.73	-	-	-	38.73	38.73
Total	**9,392.75**	**399.51**	**85.88**	**175.36**	**10,053.50**	**9,950.67**
As at March 31, 2021						
Interest bearing liabilities	3,084.31	344.73	21.93	-	3,450.97	3,450.97
Lease liabilities	22.52	36.47	27.79	53.62	140.40	140.40
Trade payables	4,649.23	-	-	-	4,649.23	4,649.23
Other financial liabilities	20.95	-	-	-	20.95	20.95
Total	**7,777.01**	**381.20**	**49.72**	**53.62**	**8,261.55**	**8,261.55**

The Group has access to various fund/non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments is ₹ 8,737.69 crore as at March 31, 2022 (₹ 8,443.54 crore as at March 31, 2021).

55.13 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Fair value of the Group's financial assets and financial liabilities are measured on a recurring basis.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crore

Financial assets/ financial liabilities	Fair values as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2022	March 31, 2021		
1) Investment in commercial paper	Asset - ₹ 12.64	Asset - ₹ 1.06	Level 2	Use of quoted market prices
2) Foreign currency forward contracts not designated in hedge accounting relationships	Asset - ₹ 14.03	Asset - ₹ 2.07	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate.
3) Derivative instruments (Derivative instruments in designated hedge accounting relationships (Hedges of Highly Forecasted Sales using foreign currency forward contracts)	Asset - ₹ 4.21	Asset - ₹ 11.70	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate.
4) Derivative instruments (Derivative instruments in designated hedge accounting relationships (Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts)	Asset - ₹ 7.23	Asset - ₹ 1.70	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at a USD funding rate.

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 56 - RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue expenses charged to Statement of Profit and Loss (including depreciation on Property, plant and equipment)	31.20	23.93
Expenditure capitalised during the year	-	-

NOTE 57 - EMPLOYEE BENEFIT PLANS

Brief description of the plans

1 **Defined contribution plans**

(A) Superannuation

All eligible employees are entitled to benefits under Superannuation, a defined contribution plan. The Group makes yearly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(B) Provident Fund

The Group makes contribution to respective regional provident fund commissioners in relation to the workers employed at factories located at Butibori, Jaipur, Jabalpur, Mysore, Vadodara & employees of a subsidiary KEC SPUR Infrastructure Private Limited. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(C) Foreign Defined Contribution Plan

All eligible employees at Overseas subsidiaries are entitled under Foreign Defined Pension Fund. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(D) Provident Fund related to KEC International, Malaysia SDN BHD

The Company makes contribution to local authorities in Malaysia in relation to the Malaysian citizens who are on the rolls of KEC International, Malaysia SDN BHD. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

2 **Defined Benefit Plans**

(A) Gratuity

(i) **Company, it's Jointly Controlled Operations & KEC SPUR Infrastructure Private Limited**

The Company, it's jointly controlled operations (i.e. CCECC-KEC JV & Longjian-KEC JV) & subsidiary in India (i.e. KEC SPUR Infrastructure Private Limited - KEC Spur) has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

The Company has set up an income tax approved trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The Company makes contribution to the plan. There are no minimum funding requirement for the plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Besides this, if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

(ii) **Jointly Controlled operation in Saudi (Al Sharif JV)**

The Jointly Controlled Operation has an obligation towards an unfunded defined benefit retirement plan (akin to gratuity) covering eligible employees. The benefits payable are as under:

For Service Less Than 5 years	1/2 * Service * Applicable salary
For Service More Than 5 years	First Five Years: 1/2* Service* Applicable Salary Beyond 5 Years: Service* Applicable Salary

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(iii) Overseas subsidiaries - SAE Towers México, S. de R.L. de C.V. (SAE Towers Mexico)

The subsidiaries have an unfunded retirement benefit and severance benefit plan, as per the requirement of Local Federal Labor Law. The benefit consists of amount to be paid to employees in case of death, disability and separation from the subsidiaries, according to the Articles 49, 50 and 162 of the Local Federal Labor Law.

(iv) Overseas subsidiary - KEC International, Malaysia SDN BHD (KEC Malaysia)

The defined benefit plan i.e. Gratuity Plan, provides for lump sum payment to vested employees on resignation/ termination or retirement and on death while in employment, an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months in terms of gratuity scheme provided by the subsidiary company or as per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

(v) Overseas subsidiary - KEC Tower LLC

The overseas subsidiary at Dubai i.e. KEC Tower LLC has an obligation towards an unfunded defined benefit retirement plan (akin to gratuity) covering eligible employees. The benefits are payable on completion of 1 year of service & are as under:

For Service Less Than 5 years	21 /30 * applicable salary * no. of years of service
For Service more Than 5 years	1* applicable Salary * no. of years of service

In respect of the plan in India (Company, it's jointly controlled operations (i.e. CCECC-KEC JV & Longjian-KEC JV) & subsidiary (i.e. KEC SPUR Infrastructure Private Limited) and jointly controlled operation in Saudi, overseas subsidiary at Dubai (i.e. KEC Tower LLC) & overseas subsidiary at Malaysia (i.e. KEC International, Malaysia SDN BHD) the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2022 by an actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(B) Provident Fund

The Company has established ‘KEC International Limited Provident Fund’ in respect of employees other than factory workers to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan’s debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan’s liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan’s liability.

Details of defined contribution plan

The Group has recognised following amounts in the statement of profit and loss:

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Superannuation Fund	0.91	1.01
Provident Fund	1.60	3.43
Employees' Pension Scheme	8.55	8.20
Employees' State Insurance Corporation	0.14	0.21
Admin charges - PF, ESIC	0.73	0.51
Foreign Defined Contribution Plan (Provident fund)	2.26	0.57

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Details of defined benefit plan

(A) Gratuity

₹ in Crore

		Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I		**Components of defined benefit cost**		
	1	Current service cost	6.89	9.08
	2	Interest cost on benefit obligation (Net)	(0.35)	0.44
	A	**Total expenses included in Statement of Profit and Loss (P&L)**	**6.54**	**9.52**
	3	Actuarial changes arising from changes in demographic assumptions	(0.04)	0.13
	4	Actuarial changes arising from changes in financial assumptions	(2.26)	1.75
	5	Actuarial changes arising from changes in experience adjustments	(1.61)	(5.23)
	6	Return on Plan Assets (excluding interest income)	(0.25)	(0.45)
	B	**Total recognized in Other Comprehensive Income (OCI)**	**(4.16)**	**(3.80)**
	C	**Total defined benefit cost recognized in P&L and OCI**	**2.38**	**5.72**
II		**Actual Contribution and Benefits Payments for the year**		
	1	Actual Benefits Payments	(4.31)	(6.48)
	2	Actual Contributions	2.30	8.23
III		**Net asset/(liability) recognized in the Balance Sheet**		
	1	Present Value of Defined Benefit Obligations	(60.51)	(58.43)
	2	Fair Value of Plan Assets	50.17	48.15
	3	Exchange fluctuation on account of conversion of Jointly Controlled operation	(2.53)	(2.04)
	4	Net asset / (liability) recognized in the Balance Sheet	(12.87)	(12.32)
IV		**Change in Present Value of Defined Benefit Obligation during the year**		
	1	Present Value of Defined Benefit Obligation as at the beginning of the year	58.43	55.88
	2	Plan Liability acquired during the year	0.34	-
	3	Current Service Cost	6.89	9.08
	4	Interest Cost	3.07	3.30
	5	Benefits paid including direct payment	(4.31)	(6.48)
	6	Actuarial changes arising from changes in demographic assumptions	(0.04)	0.13
	7	Actuarial changes arising from changes in financial assumptions	(2.26)	1.75
	8	Actuarial changes arising from changes in experience adjustments	(1.61)	(5.23)
	9	Present Value of Defined Benefit Obligations as at the end of the year	60.51	58.43
V		**Change in Fair Value of Plan Assets during the year**		
	1	Plan Assets as at the beginning of the year	48.15	41.49
	2	Plan Assets acquired during the year	0.32	-
	3	Interest Income	3.45	2.85
	4	Actual Company Contributions	2.30	8.23
	5	Benefits paid	(4.31)	(4.99)
	6	Expected return on Plan Assets (excluding interest income)	0.26	0.57
	7	Plan Assets as at the end of the year	50.17	48.15

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Particulars				As at March 31, 2022	As at March 31, 2021
VI-A	**Actuarial Assumptions (Considered for the Company)**				
	1	Discount Rate		6.90%	6.40%
	2	Expected Return on plan assets		6.90%	6.40%
	3	Salary escalation Rate		8.00%	8.00%
	4	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	5	Disability		**5% of Mortality Rate**	**5% of Mortality Rate**
	6	Withdrawal (Rate of Employee Turnover)	Upto 30 years	17.00%	17.00%
			31-44 years	12.00%	12.00%
			45 years and above	11.00%	11.00%
VI-B	**Actuarial Assumptions (Considered for Jointly Controlled Operations in Saudi)**				
	1	Discount Rate		2.75%	1.60%
	2	Salary escalation Rate		7.00%	7.00%
	3	Mortality Table		**Implicit in Withdrawal**	
	4	Disability		**Implicit in Withdrawal**	
	5	Withdrawal (Rate of Employee Turnover)	Managers (M0 to M6)	10.00%	10.00%
			Others	15.00%	15.00%
VI-C	**Actuarial Assumptions (Considered for Jointly Controlled Operations CCECC-KEC JV)**				
	1	Discount Rate		7.30%	6.60%
	2	Salary escalation Rate		8.00%	6.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.00%	7.00%
			31-44 years	7.00%	7.00%
			45 years and above	7.00%	7.00%
VI-D	**Actuarial Assumptions (Considered for Jointly Controlled Operations Longjian-KEC JV)**				
	1	Discount Rate		7.50%	7.30%
	2	Salary escalation Rate		8.00%	6.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.00%	7.00%
			31-44 years	7.00%	7.00%
			45 years and above	7.00%	7.00%
VI-E	**Actuarial Assumptions (Considered for KEC Spur Infrastructure Private Limited)**				
	1	Discount Rate		7.20%	-
	2	Expected Return on plan assets		7.20%	-
	3	Salary escalation Rate		8.00%	-
	4	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	5	Disability		**5% of Mortality rate**	
	6	Withdrawal (Rate of Employee Turnover)	Upto 30 years	10.00%	-
			31-44 years	10.00%	-
			45 years and above	10.00%	

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Particulars		As at March 31, 2022	As at March 31, 2021
VI-F	**Actuarial Assumptions (Considered for overseas subsidiary at Mexico)**		
	1 Discount Rate	7.96%	6.00%
	2 Salary escalation Rate	5.60%	5.60%
	3 Mortality Table	EMSSA 09	
	4 Disability Table	ACTIMSS	
	5 Withdrawal (Rate of Employee Turnover)	30.00%	30.00%
VI-G	**Actuarial Assumptions (Considered for overseas subsidiary at Malaysia)**		
	1 Discount Rate	3.70%	4.10%
	2 Salary escalation Rate	0.00%	0.00%
	3 Mortality Table	Mortality studies of Malaysian Assured Lives from 2011 to 2015	
	4 Disability	5% of Mortality Rate	
	5 Withdrawal (Rate of Employee Turnover) Managers	10.00%	10.00%
	Others	15.00%	15.00%
VI-H	**Actuarial Assumptions (Considered for overseas subsidiary at Dubai)**		
	1 Discount Rate	3.70%	2.30%
	2 Salary escalation Rate	6.00%	6.00%
	3 Mortality Table	Implicit in withdrawal	
	4 Disability	Implicit in withdrawal	
	5 Withdrawal (Rate of Employee Turnover) Involuntary	0.00%	0.00%
	Voluntary	5.00%	5.00%
VII	The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.		
VIII	**The major categories of Plan Assets of the Company as a percentage of the total plan assets**		
	Equity	4.59%	4.19%
	Debt	42.40%	44.92%
	Money Market Investments	53.00%	50.89%
IX	**The major categories of Plan Assets of the subsidiary KEC SPUR Infrastructure Private Limited as a percentage of the total plan assets**		
	Equity	0.00%	
	Debt	100.00%	
	Money Market Investments	0.00%	
	Mutual Fund	0.00%	
X	**Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2023 ₹ 6.57 crore**		
XI	**Contribution expected to be paid to the Plan of the Subsidiary, KEC SPUR Infrastructure Private Limited during the year ended March 31, 2023 - ₹ 0.02 crore**		
XII	**Weighed Average duration of the Plan**		
	Considered for the Company	6 years	6 years
	Considered for Jointly Controlled Operation in Saudi	7 years	7 years
	Considered for Jointly Controlled Operation CCECC-KEC JV	11 years	10 years
	Considered for Jointly Controlled Operation Longjian-KEC JV	12 years	11 years

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Considered for Subsidiary - KEC Spur Infrastructure Private Limited	9 years	-
Considered for Subsidiary - KEC International, Malaysia SDN BHD	12 years	13 years
Considered for Subsidiary - KEC Tower LLC	18 years	10 years

₹ in Crore

Particulars		As at March 31, 2022	As at March 31, 2021
Maturity profile of defined benefit obligation			
1	Year 1	8.00	7.03
2	Year 2	13.27	11.62
3	Year 3	9.39	7.62
4	Year 4	8.81	8.05
5	Year 5	9.07	8.26
6	Next 5 years	47.95	41.49

₹ in Crore

Particulars		As at March 31, 2022	As at March 31, 2021
Financial assumptions sensitivity analysis (updated closing balance of present value of defined benefit obligation)			
A.	Discount rate		
	Discount rate - 50 basis points	64.94	59.22
	Discount rate + 50 basis points	61.33	55.97
B.	Salary increase rate		
	Salary rate - 50 basis points	61.45	56.13
	Salary rate + 50 basis points	64.72	58.98
Demographic assumptions sensitivity analysis			
C.	Withdrawal Rate		
	Withdrawal Rate - 100 basis points	61.21	58.08
	Withdrawal Rate + 100 basis points	60.15	57.01

Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumption may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years and same data, method and assumptions have been used in preparing the sensitivity analysis which are used to determine period end defined benefit obligation.

XIII **The following table shows a breakdown of the defined benefit obligation and plan assets by Group:**

Particulars	As at March 31, 2022									As at March 31, 2021							
	Gratuity								Total	Gratuity							Total
	Company	Al Sharif JV	CCECC-KEC JV	Longjian-KEC JV	SAE Towers Mexico	KEC Malaysia	KEC Tower LLC	KEC Spur		Company	Al Sharif JV	CCECC-KEC JV	Longjian-KEC JV	SAE Towers Mexico	KEC Malaysia	KEC Tower LLC	
(A) Present value of obligation	49.84	9.23	0.32	0.32	2.40	0.03	0.57	0.33	63.04	47.75	9.39	0.21	0.20	2.74	0.01	0.17	60.47
(B) Fair value of plan assets	49.80	-	-	-	-	-	-	0.37	50.17	48.15	-	-	-	-	-	-	48.15
(C) Total liability =(A) - (B)	**0.04**	**9.23**	**0.32**	**0.32**	**2.40**	**0.03**	**0.57**	**(0.04)**	**12.87**	**(0.40)**	**9.39**	**0.21**	**0.20**	**2.74**	**0.01**	**0.17**	**12.32**

(B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Company's contribution to the provident fund	8.65	7.54

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Approach used	Deterministic	Deterministic
b. Discount Rate	6.90%	6.40%
c. Attrition Rate		
Upto 30 years	17.00%	17.00%
31 - 44 years	12.00%	12.00%
45 years and above	11.00%	11.00%
d. Weighted Average Yield	7.17%	8.06%
e. Weighted Average YTM	7.17%	8.06%
f. Reinvestment Period on Maturity	6 years	6 years
g. Mortality Rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate	

3 Short term employee benefits (Compensated Absences)

The short term employee benefits cover the Group's liability for sick and earned leave.

The amount of the provision of ₹ 37.31 crore (as at March 31, 2021 ₹ 34.82 crore) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 58 - RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

(A) Details of related parties with whom transactions have taken place

Key Management Personnel (KMP)

Mr. H. V. Goenka - Chairman

Mr. Vimal Kejriwal - Managing Director and CEO

Mr. Rajeev Aggarwal - Chief Financial Officer

Mr. Amit Kumar Gupta - Company Secretary

Mr. A. T. Vaswani - Non-Executive Director

Mr. D. G. Piramal - Non-Executive Director

Mr. G. L. Mirchandani - Non-Executive Director

Ms. Nirupama Rao - Non-Executive Director

Mr. R. D. Chandak - Non-Executive Director

Mr. S. M. Trehan - Non-Executive Director

Mr. Vinayak Chatterjee - Non-Executive Director (w.e.f. 6 December, 2021)

Mr. Vikram Gandhi - Non-Executive Director

Mr. M. S. Unnikrishnan - Non-Executive Director

Post - employment benefit plan

KEC International Ltd. Employees' Group Gratuity Scheme

KEC International Limited - Provident Fund

KEC International Ltd. Superannuation Scheme

Entities where control / significant influence by KMPs and their relatives exists and with whom transactions have taken place

CEAT Limited

B. N. Elias & Co. LLP

Palacino Properties LLP

RPG Life Sciences Limited

RPG Enterprises Limited

Raychem RPG Private Limited

Ceat Speciality Tyres Limited

Harrisons Malayalam Limited

Spencers and Company Limited

Zensar Technologies Limited

Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)

Summit Securities Limited (holds 10.93 percent Equity Shares of the Company)

(B) Transactions with the Related Parties

₹ in Crore

Transactions	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Sale of Products		**1.00**		**1.00**		**1.52**		**1.52**
CEAT Limited		-		-		0.74		0.74
CEAT Specialty Tyres Limited		-		-		0.62		0.62
Raychem RPG Private Limited		1.00		1.00		0.16		0.16
Sale under Turnkey Contracts						**6.33**		**6.33**
CEAT Limited						6.33		6.33
Services rendered		**0.06**		**0.06**		**0.38**		**0.38**
CEAT Limited		0.06		**0.06**		0.12		0.12
RPG Life Sciences Limited		-		-		0.03		0.03
Swallow Associates LLP		-		-		0.02		0.02
Summit Securities Limited		-		-		0.05		0.05
RPG Enterprises Limited		-		-		0.16		0.16
Services received		**35.70**		**35.70**		**22.74**		**22.74**
Raychem RPG Private Limited		0.02		0.02		-		-
CEAT Limited		5.90		5.90		5.95		5.95
RPG Enterprises Limited		29.77		29.77		16.77		16.77
Harrisons Malayalam Limited		0.01		0.01		0.02		0.02
Rent Income		**0.28**		**0.28**		-		-
CEAT Limited		0.01		0.01		-		-
RPG Life Sciences Limited		0.06		0.06		-		-
Swallow Associates LLP		0.01		0.01		-		-
Summit Securities Limited		0.05		0.05		-		-
RPG Enterprises Limited		0.15		0.15		-		-
Purchase of goods		**16.14**		**16.14**		**10.30**		**10.30**
Raychem RPG Private Limited		16.14		16.14		10.30		10.30
Rent & maintenance charges paid		**4.42**		**4.42**		**4.41**		**4.41**
Palacino Properties LLP		0.28		0.28		0.24		0.24
Spencer and Company Limited		4.14		4.14		4.14		4.14
Raychem RPG Private Limited		-		-		0.03		0.03
Compensation to Key Management Personnel								
Mr. Vimal Kejriwal - Managing Director & CEO	**8.17**			**8.17**	**7.19**			**7.19**
short-term employee benefits (including Bonus and value of perquisites)	7.80			7.80	6.86			6.86
post-employment benefits # $	0.37			0.37	0.33			0.33
Mr. Rajeev Aggarwal - Chief Financial Officer	**3.86**			**3.86**	**3.58**			**3.58**
short-term employee benefits (including Bonus and value of perquisites)	3.76			3.76	3.49			3.49
post-employment benefits # $	0.10			0.10	0.09			0.09

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Transactions	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Mr. Amit Kumar Gupta - Company Secretary	**0.72**			**0.72**	**0.67**			**0.67**
short-term employee benefits (including Bonus and value of perquisites)	0.70			0.70	0.65			0.65
post-employment benefits # $	0.02			0.02	0.02			0.02
Sitting fees & Commission paid to Non-Executive Directors	**7.80**			**7.80**	**10.00**			**10.00**
Mr. H. V. Goenka	6.16			6.16	8.47			8.47
Mr. A. T. Vaswani	0.24			0.24	0.23			0.23
Mr. D. G. Piramal	0.18			0.18	0.17			0.17
Mr. G. L. Mirchandani	0.17			0.17	0.17			0.17
Ms. Nirupama Rao	0.17			0.17	0.17			0.17
Mr. R. D. Chandak	0.24			0.24	0.24			0.24
Mr. S. M. Trehan	0.24			0.24	0.24			0.24
Mr. Vinayak Chatterjee (w.e.f. December 6, 2021)	0.06			0.06	-			-
Mr. Vikram Gandhi	0.16			0.16	0.14			0.14
Mr. M. S. Unnikrishnan	0.18			0.18	0.17			0.17
Payments made/expenses incurred on behalf of related party		**0.27**		**0.27**				**-**
RPG Life Sciences Limited		0.01		0.01				
RPG Enterprises Limited		★		★				
Summit Securities Limited		0.01		0.01				
Zensar Technologies Limited		★		★				
CEAT Limited		0.24		0.24				
Raychem RPG Private limited		0.01		0.01				
Payments made/expenses incurred by related party		**0.23**		**0.23**				
CEAT Limited		0.23		0.23				
Advance received towards project execution		-		-		**4.81**		**4.81**
CEAT Limited		-		-		4.81		4.81
Contribution made			**11.01**	**11.01**			**15.49**	**15.49**
KEC International Limited Employee's Gratuity Fund			1.45	1.45			6.95	6.95
KEC International Limited Provident Fund			8.65	8.65			7.54	7.54
KEC International Limited Superannuation Fund			0.91	0.91			1.00	1.00

*less than rounding off norms adopted by the Company

excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

$ Including PF and other benefits.

(C) Balances outstanding as at the year end

₹ in Crore

Balances	As at March 31, 2022				As at March 31, 2021			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Amount receivable/ (payable)	**(7.10)**	**16.55**	**(0.04)**	**9.41**	**(9.38)**	**7.12**	**0.40**	**(1.86)**
RPG Life Sciences Limited		-		-		0.01		0.01
Raychem RPG Private Limited		(0.73)		(0.73)		(1.49)		(1.49)
Palacino Properties LLP		0.09		0.09		0.09		0.09
B. N. Elias & Co. LLP		0.01		0.01		0.01		0.01
CEAT Limited		4.73		4.73		(4.03)		(4.03)
Spencer and Company Limited		2.70		2.70		2.70		2.70
Harrisons Malayalam Limited		9.85		9.85		9.85		9.85
RPG Enterprises Limited		(0.10)		(0.10)		(0.02)		(0.02)
KEC International Ltd. Employees' Group Gratuity Scheme			(0.04)	(0.04)			0.40	0.40
Mr. H. V. Goenka	(6.10)			(6.10)	(8.42)			(8.42)
Mr. A. T. Vaswani	(0.12)			(0.12)	(0.12)			(0.12)
Mr. D. G. Piramal	(0.12)			(0.12)	(0.12)			(0.12)
Mr. G. L. Mirchandani	(0.12)			(0.12)	(0.12)			(0.12)
Ms. Nirupama Rao	(0.12)			(0.12)	(0.12)			(0.12)
Mr. R. D. Chandak	(0.12)			(0.12)	(0.12)			(0.12)
Mr. S. M. Trehan	(0.12)			(0.12)	(0.12)			(0.12)
Mr. Vinayak Chatterjee (w.e.f. December 6, 2021)	(0.04)			(0.04)				
Mr. Vikram Gandhi	(0.12)			(0.12)	(0.12)			(0.12)
Mr. M. S. Unnikrishnan	(0.12)			(0.12)	(0.12)			(0.12)

Note: The sales / provision to and purchase / provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 59 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent Liabilities#

Claims against the Company not acknowledged as debt:

₹ in Crore

Sr. No	Particulars	Relating to various years comprise in the period	As at March 31, 2022	As at March 31, 2021
1	Sales Tax /Value Added Tax* (Tax/Penalty/Interest)	1994-2018	32.18	
		1994-2018		21.93
2	Excise Duty * (Tax/Penalty/Interest)	2003-2018	16.55	
		1994-2014		29.77
3	Service Tax * (Tax/Penalty/ Interest)	2008-2016	4.05	
		2003-2016		2.75
4	Entry Tax* (Tax/Penalty/Interest)	2009-2012	0.50	
		2001-2014		6.78
5	Goods & Services Tax (Tax/Penalty/Interest)	2018-2019	0.14	
		2018-2021		0.14
6	(i) Contingent liability of Income Tax taken over by the Company in terms of the Composite Scheme of Arrangement under which the Power Transmission Business was acquired by the Company.	A.Y. 2005-2006	-	1.88
	(ii) Income Tax matters of the Company mainly ondisallowance of depreciation and Tax levied on guarantees given to Associated Enterprises, etc.	A.Y 2014-15 A.Y 2015-16 A.Y 2016-17 A.Y 2017-18	51.00	
		A.Y 2013-14 A.Y 2014-15 A.Y 2015-16 A.Y. 2016-17		52.87
	(iii) Income Tax matters at overseas unit/s of the Company**	2002-2019	11.94	
		2002-2019		11.92
	(iv) Income Tax matters of a jointly controlled operations (Company's share)**	2013-2017	4.39	
		2013-2017		4.39
7	Customs Duty^	1995-1996	0.60	
		1995-1996		0.60
8	Civil Suits^^		9.46	
				19.14
9	Guarantees excluding financial guarantees - surety bonds obtained by Group's Subsidiaries in Brazil, Mexico and the United States for certain customer contracts.		394.51	589.99

** These claims mainly relate to the issues of applicability, issue of disallowance of cenvat / VAT credit and in case of Sales Tax / Value added tax, also relate to the issue of submission of relevant forms and the Company's claim of exemption for MVAT on export sales and services.*

*** These claims mainly relate to the issues of appropriate jurisdiction for tax applicability at overseas locations.*

^ These claims mainly relate to the issues of clearance of goods from customs within time limit.

^^ These suits includes Civil suits as well as Industrial relations & labour laws cases.

 # excluding financial guarantees referred to in Note 55.9.

Footnote for Note 59 (i) above :
Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

(ii) Commitments

₹ in Crore

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	28.56	26.57
2	Derivative related commitments	Refer Notes 55.7 and 55.8	

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 60 - SEGMENT REPORTING

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC business. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing performance focuses on the business as a whole. The CODM reviews the Group's performance on the analysis of profit before tax at an overall level. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 “Operating Segments”.

Information about geographical areas are as under :

₹ in Crore

Particulars	Revenue from External customers		Non-current assets	
	Year ended March 31, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
India	9,340.03	7,679.31	1,042.94	1,075.42
United Arab Emirates (UAE)	201.23	625.36	244.82	210.42
Brazil, Mexico and USA	850.31	1,141.50	511.48	501.80
Geographies other than above	3,350.69	3,668.03	129.90	119.52
Total	**13,742.26**	13,114.20	**1,929.14**	1,907.16

Information about major customers

During the current year ended March 31, 2022, revenue of ₹ 1,560.36 crore (previous year ended March 31, 2021 is ₹ 1991.73 crore) arising from a customer in India is contributing to more than 10% of the Group's revenue.

No other customer outside India, individually contributed 10% or more to the Group's revenue for the year ended March 31, 2022 and for the year ended March 31, 2021.

NOTE 61 - The Company, on October 13, 2021, acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) for purchase consideration of ₹ 56.93 Crores. Consequently, KEC Spur Infrastructure Private Limited became wholly owned subsidiary of the Company from the aforesaid date.

The amalgamation has been accounted for using the acquisition method prescribed under Ind AS 103 – ‘Business Combinations’, and accordingly, the identifiable assets (both tangible and intangible) acquired and liabilities assumed are recorded at their acquisition date fair values as determined by an independent valuer. Excess of purchase consideration over the fair value of identified assets acquired and liabilities assumed has been recognised as Customer contracts and Goodwill.

The following table presents the purchase price allocation

₹ in Crore

Description	Purchase price allocation
Fair value of Net Assets acquired	26.05
Customer contracts	4.44
Goodwill	26.44
Total purchase price	**56.93**

NOTE 62 - DISCLOSURE PURSUANT TO IND AS 1 "PRESENTATION OF FINANCIAL STATEMENTS"

The details of amounts which are expected by the Group to be recovered or settled after twelve months in respect of assets and liabilities relating to long-term contracts which are classified as current are as under:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	1,192.87	1,436.98
Contract Assets	396.45	519.62
Contract Liabilities	353.38	284.51

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 63 - ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO DIVISION II TO SCHEDULE III TO THE COMPANIES ACT, 2013

Note 63.1

As at March 31, 2022

₹ in Crore

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies (together 'Group')	Net Assets i.e. Total Assets-Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
1	2	3	4	5	6	7	8	9
Parent								
KEC International Limited	106.51	3,855.57	130.82	434.44	13.32	4.13	120.80	438.57
(Including jointly controlled operations)								
Subsidiaries								
Indian								
1 KEC Power India Private Limited	0.01	0.37	0.00	0.01	-	-	0.00	0.01
2 KEC Spur Infrastructure Private Limited	1.18	42.74	5.02	16.69	-	-	4.60	16.69
Foreign								
1 RPG Transmission Nigeria Limited, Nigeria	0.00	0.18	(0.00)	(0.00)	(0.03)	(0.01)	(0.00)	(0.01)
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	(0.01)	(0.21)	(0.04)	(0.12)	(0.02)	(0.01)	(0.04)	(0.13)
3 KEC Investment Holdings, Mauritius	0.00	0.06	(0.08)	(0.27)	-	-	(0.07)	(0.27)
4 KEC Global Mauritius, Mauritius	0.08	2.78	(0.00)	(0.00)	0.40	0.12	0.03	0.12
5 KEC International (Malaysia) SDN BHD	0.38	13.85	1.44	4.78	(1.11)	(0.34)	1.22	4.43
6 KEC Tower LLC	4.20	151.99	6.39	21.23	9.44	2.92	6.65	24.15
7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note)	13.45	487.14	(72.70)	(241.45)	77.98	24.16	(59.87)	(217.30)
Sub Total	**125.82**	**4,554.47**	**70.85**	**235.30**	**100.00**	**30.97**	**73.34**	**266.27**
Consolidation Adjustment	(25.82)	(934.54)	29.15	96.78	-	-	26.66	96.78
Total:	**100.00**	**3,619.93**	**100.00**	**332.08**	**100.00**	**30.97**	**100.00**	**363.05**

Footnote

The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Name of the entity in Consolidated Financial Statements of SAE Group	Net Assets i.e. Total Assets-Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets of KEC Group	Amount (₹ in Crore)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in Crore)	As % of Consolidated OCI of KEC Group	Amount (₹ in Crore)	As % of Consolidated TCI of KEC Group	Amount (₹ in Crore)
1 SAE Towers Holdings LLC, Delaware (USA)	33.91	1,227.47	-	-	77.98	24.16	6.65	24.16
2 SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)	0.00	0.00	-	-	-	-	-	-
3 SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)	0.00	0.02	-	-	-	-	-	-
4 SAE Towers Mexico S de RL de CV, Mexico	2.78	100.79	0.07	0.22	-	-	0.06	0.22
5 SAE Towers Brazil Torres de Transmission Ltda, Brazil	0.74	26.83	(71.85)	(238.61)	-	-	(65.73)	(238.61)
6 SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.37	13.51	(0.29)	(0.97)	-	-	(0.27)	(0.97)
7 SAE Towers Ltd, Delaware (USA)	0.53	19.21	0.13	0.44	-	-	0.12	0.44
8 SAE Engenharia E Construcao Ltda, Brazil	-	-	-	-	-	-	-	-
9 KEC Engineering & Construction Services S de RL de CV, Mexico	(0.07)	(2.54)	-	-	-	-	-	-
Less: Net effect of Intra group elimination	(24.81)	(898.15)	(0.76)	(2.53)	-	-	(0.70)	(2.53)
Total	**13.45**	**487.14**	**(72.70)**	**(241.45)**	**77.98**	**24.16**	**(59.87)**	**(217.30)**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 63.2

As at March 31, 2021

₹ in Crore

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies (together 'Group')	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
1	2	3	4	5	6	7	8	9
Parent								
KEC International Limited	104.77	3,519.79	116.89	646.09	377.95	35.51	121.26	681.60
(Including jointly controlled operations)								
Subsidiaries								
Indian								
1 KEC Power India Private Limited	0.01	0.35	0.00	0.01	-	-	0.00	0.01
Foreign								
1 RPG Transmission Nigeria Limited, Nigeria	0.01	0.19	-	-	(0.21)	(0.02)	(0.00)	(0.02)
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	(0.00)	(0.08)	(0.03)	(0.17)	-	-	(0.03)	(0.17)
3 KEC Investment Holdings, Mauritius	(0.00)	(0.08)	(0.03)	(0.14)	(0.21)	(0.02)	(0.03)	(0.16)
4 KEC Global Mauritius, Mauritius	0.12	4.16	-	-	(1.49)	(0.14)	(0.02)	(0.14)
5 KEC International (Malaysia) SDN BHD	0.28	9.42	0.89	4.92	(15.97)	(1.50)	0.61	3.42
6 KEC Tower LLC	3.51	117.80	0.07	0.38	1.70	0.16	0.10	0.54
7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note)	15.33	515.07	(17.80)	(98.37)	(262.00)	(24.59)	(21.87)	(122.96)
Sub Total	**124.02**	**4,166.62**	**100.00**	**552.72**	**100.00**	**9.39**	**100.00**	**562.11**
Consolidation Adjustment	(24.02)	(806.93)	-	-	-	-	-	-
Total	**100.00**	**3,359.69**	**100.00**	**552.72**	**100.00**	**9.39**	**100.00**	**562.11**

Footnote

The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:

Name of the entity in Consolidated Financial Statements of SAE Group	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets of KEC Group	Amount (₹ in Crore)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in Crore)	As % of Consolidated OCI of KEC Group	Amount (₹ in Crore)	As % of Consolidated TCI of KEC Group	Amount (₹ in Crore)
1 SAE Towers Holdings LLC, Delaware (USA)	29.69	997.61	(0.22)	(1.20)	-	-	(0.21)	(1.20)
2 SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)	-	-	-	-	-	-	-	-
3 SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)	-	0.01	-	-	-	-	-	-
4 SAE Towers Mexico S de RL de CV, Mexico	2.89	97.01	0.77	4.23	-	-	0.75	4.23
5 SAE Towers Brazil Torres de Transmission Ltda, Brazil	2.18	73.23	(17.93)	(99.07)	-	-	(17.63)	(99.07)
6 SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.40	13.49	0.09	0.49	-	-	0.09	0.49
7 SAE Towers Ltd, Delaware (USA)	0.54	18.10	0.01	0.03	-	-	0.01	0.03
8 SAE Engenharia E Construcao Ltda, Brazil	-	-	-	-	-	-	-	-
9 KEC Engineering & Construction Services S de RL de CV, Mexico	(0.07)	(2.36)	-	-	-	-	-	-
Less: Net effect of Intra group elimination	(20.30)	(682.02)	(0.52)	(2.85)	(262.00)	(24.59)	(4.88)	(27.46)
Total	**15.33**	**515.07**	**(17.80)**	**(98.37)**	**(262.00)**	**(24.59)**	**(21.87)**	**(122.96)**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 64 - Expenditure towards Corporate Social Responsibility (CSR) Activities

₹ in Crore

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Gross amount required to be spent by the Company during the year	13.81	11.81
(b)	Amount approved by Board to be spent during the year	13.81	11.81
(c)	Amount spent during the year (in cash) on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above*	10.67	7.54

** Includes ₹ 10.11 crore (Previous year ₹ 6.40 crore) towards contribution to RPG Foundation (Implementing Agency - CSR00000030) and ₹ 0.56 crore (Previous year ₹ 1.14 crore) towards direct CSR spent by the Company.*

₹ in Crore

A. Details of ongoing CSR Projects under Section 135(6) of the Act

Balance as at April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
4.27*	-	12.77	9.64	4.28**	3.13*	-

Balance as at April 01, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
-	-	9.60	5.33	-	4.27*	-

** ₹ 3.13 crore as at March 31, 2022 (Previous year ₹ 4.27 crore) were transferred to separate "CSR Unspent Account" before their respective due dates pursuant to the provisions of the Companies Act, 2013.*

*** Includes interest of ₹ 0.01 crore earned on unspent CSR amount*

₹ in Crore

B. Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 01, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	1.03	1.03	-

Balance unspent as at April 01, 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2021
-	-	2.21	2.21	-

NOTE 65 - The Board of Directors of the Company at its meeting held on May 03, 2022 have recommended a Dividend of ₹ 4/- per equity share of ₹ 2/- each for the year ended March 31, 2022, subject to approval of the shareholders.

NOTE 66 - During the quarter ended September 30, 2021, the Group has recorded a charge of ₹ 43.64 crore net of provision towards write-off of its receivables, consequent to the order of the Supreme Court of South Africa, dated October 6, 2021, in a case with a customer in South Africa.

NOTE 67 - The Company has issued unsecured Commercial Papers from time to time. These Commercial Papers are having a Credit Rating of CRISIL A1+ and IND A1+ and are Listed on BSE Limited. During the year ended March 31, 2022, the Company has repaid interest and principal of all Commercial Papers on their respective due dates.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 68 - Based on the assessment performed by the Group and considering the strong order book and available liquidity, the Group believes that the impact of Covid-19 is not material. Accordingly, the pandemic is not likely to have a significant impact on the Group's future operations, its profitability and recoverability of the carrying value of its assets, as at March 31, 2022 and on its control environment. The Group will continue to closely monitor material changes to future economic conditions, if any, as and when they arise.

NOTE 69 - The Group is executing few projects in Afghanistan, which are currently on hold due to force majeure event. The Group is closely monitoring the situation and expects to resume work once the geopolitical environment in Afghanistan is resolved. The Group does not expect any material financial impact due to this event as the projects are funded by international funding agencies (Asian Development Bank, USAID and World Bank). The Group has a net exposure of ₹ 233 crore after netting off advances, liabilities (including contract liabilities) and insurance cover as of March 31, 2022. The Group is in regular discussions with its customer and the funding agencies to release payments against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the aforesaid ongoing projects are currently not enforceable due to force majeure event.

NOTE 70 - The Auditors of Branches located in Sri Lanka, South Africa and a jointly controlled operation at South Africa have given an Emphasis of matter paragraph, in relation to going concern assumption used for preparation of financial statements. Basis Group's assessment, Group can adequately source the funding required at mentioned branches and Jointly Controlled Operations.

NOTE 71 - (i) During the year, The Group has received ₹ 0.50 crores towards government grant from Government of Rajasthan for setting up of Oxygen plant under Special package for Medical oxygen. The Group has amortised the grant based on useful life of the plant and recognised income for current year of ₹ 0.01 crores (Refer Note 41). The balance amount of grant is shown as “Deferred Grant” in non-current liability ₹ 0.47 crores (Refer Note 31) and other current liability of ₹ 0.02 crore (Refer Note 37). The Group doesn’t have any unfulfilled conditions and other contingencies attaching to same.

(ii) The Group had imported capital assets worth ₹ 1.76 crore during the previous year under EPCG license against which revenue of ₹ 0.15 crore (Refer Note 41) was deferred since conditions and other contingencies attached to the same are not fulfilled in the previous year. During the current year the income is recognised since all conditions related to the license are fulfilled.

NOTE 72 - DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against any of the entities in the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

NOTE 73 - WILFUL DEFAULTER

None of the entities in the Group has been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE 74 - RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

NOTE 75 - DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTE 76 - COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

NOTE 77 - UNDISCLOSED INCOME

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.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 78 - VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSET

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

NOTE 79 - UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTE 80 - The Group has implemented the decision given in the Supreme Court Judgement in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. April 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

NOTE 81 - The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTE 82 - The Group has approved its financial statements in its board meeting dated May 03, 2022.

Signatures to Notes 1 to 82 which form an integral part of the consolidated financial statements.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

FORM AOC - 1

Annexure pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ in Crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover**	Profit/ (Loss) before Taxation**	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
1	SAE Towers Holdings LLC, USA*	INR	1,131.93	95.54	1,276.25	48.78	-	-	-	-	-	-	100%
		USD(000)	149,356.19	12,605.98	168,399.11	6,436.95	-	-	-	-	-	-	
2	SAE Towers Brazil Subsidiary Company LLC, USA*	INR	-	-	-	-	-	-	-	-	-	-	100%
		USD(000)	-	0.00	0.00	-	-	-	-	-	-	-	
3	SAE Towers Mexico Subsidiary Holding Company LLC, USA*	INR	-	0.02	0.02	-	-	-	-	-	-	-	100%
		USD(000)	-	2.13	2.13	-	-	-	-	-	-	-	
4	SAE Towers Mexico S de RL de CV, Mexico*	INR	167.33	(66.54)	261.63	160.83	-	185.12	2.13	1.91	0.22	-	100%
		USD(000)	22,079.02	(8,779.36)	34,521.33	21,221.67	-	24,872.92	285.64	256.45	29.19	-	
5	SAE Towers Brasil Torres de Transmissao Ltda, Brazil*	INR	301.02	(274.20)	881.00	854.17	-	693.37	(358.27)	(119.66)	(238.61)	-	100%
		USD(000)	39,719.61	(36,179.63)	116,246.07	112,706.09	-	93,164.14	(48,138.36)	(16,077.87)	(32,060.49)	-	
6	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico*	INR	-	13.51	18.19	4.67	-	12.61	(0.14)	0.83	(0.97)	-	100%
		USD(000)	-	1,783.04	2,399.88	616.84	-	1,694.59	(18.37)	112.00	(130.38)	-	
7	SAE Towers Ltd, USA*	INR	15.17	4.05	26.33	7.12	-	186.92	0.50	0.06	0.44	-	100%
		USD(000)	2,001.00	533.79	3,473.86	939.07	-	25,115.71	66.66	7.50	59.16	-	
8	SAE Engenharia E Construcao Ltda, Brazil*	INR	-	-	-	-	-	-	-	-	-	-	100%
		USD(000)	-	-	-	-	-	-	-	-	-	-	
9	KEC Engineering & Construction Services S de RL de CV, Mexico*	INR	-	(2.54)	(2.51)	30.94	-	-	-	-	-	-	100%
		USD(000)	-	(334.84)	(330.75)	4,082.98	-	-	-	-	-	-	
10	KEC Investment Holdings, Mauritius	INR	674.76	159.52	834.34	0.06	-	-	0.09	0.09	(95.86)	-	100%
		USD(000)	89,032.55	21,048.50	110,088.77	7.73	-	-	-12868.82	11.92	(12,880.74)	-	
11	KEC Global Mauritius, Mauritius	INR	2.33	0.45	2.82	0.04	-	-	0.01	0.01	(0.00)	-	100%
		USD(000)	370.00	(2.81)	372.19	5.00	-	-	0.92	1.13	(0.21)	-	
12	KEC International (Malaysia) SDN.BHD, Malaysia	INR	1.73	12.12	144.01	130.16	-	145.61	6.17	1.39	4.78	-	100%
		MYR(000)	1,021.74	6,655.35	79,955.01	70,905.67	-	80,986.46	3,121.44	771.92	2,349.52	-	
13	RPG Transmission Nigeria Limited, Nigeria	INR	0.21	(0.03)	0.18	0.00	-	-	(0.00)	-	(0.00)	-	100%
		Naira(000)	10,000.00	(160.39)	9,839.61	-	-	-	(50.00)	-	(50.00)	-	

₹ in Crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover**	Profit/ (Loss) before Taxation**	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
14	KEC Global FZ – LLC, Ras UL Khaimah, UAE	INR	1.77	(1.98)	0.24	0.45	-	-	(0.12)	-	(0.12)	-	100%
		AED(000)	1,000.00	(101.49)	116.58	218.08	-	-	(62.09)	-	(62.09)	-	
15	Al-Sharif Group and KEC Ltd. Co, Saudi Arabia (Refer Note 3)	INR	3.65	163.29	302.61	135.67	-	138.68	12.74	3.54	9.20	-	51.10%
		SAR(000)	3,000.00	116,914.3	216,018.04	93,199.49	-	99,129.87	10,290.38	2,466.37	7,824.01	-	
16	KEC Towers LLC, Dubai, UAE	INR	126.04	25.91	423.49	272.08	-	369.19	21.27	-	21.27	-	100%
		AED(000)	63,173.50	10,548.99	209,778.30	136,055.81	-	181,391.29	9,572.76		9,572.76		
17	KEC EPC LLC, Dubai, UAE (Refer Note 1)	INR	0.62	0.04	4.85	4.28	-	-	(0.04)	-	(0.04)	-	100%
		AED(000)	300.00	(19.24)	2,353.83	2,073.06		-	(19.24)	-	(19.24)		
18	KEC Power India Private Limited, India	INR	0.22	0.15	0.38	0.01	-	-	0.02	0.01	0.01	-	100%
19	KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastrucutre Private Limited) (Refer Note 2)	INR	0.30	42.44	155.15	112.41	-	180.74	22.29	5.60	16.69	-	100%

The figures reported above are without considering elimination

Exchange rates as at year end considered for conversion:
1 USD = ₹ 75.7875
1 AED = ₹ 20.624
1 NAIRA= ₹ 0.182
1 SAR = ₹ 20.191
1 MYR= ₹ 18.011

** Based on the information considered in the audited consolidated financial statements of SAE Towers Holdings, LLC*

*** Average exchange rates for the year considered for conversion (actual entry rate during the year)*

Footnotes:

1 *KEC EPC LLC, Step down Subsidiary, was incorporated on October 06, 2021.*

2 *The Company on Octobter 13, 2021 acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) thereby making it a wholly owned subsidiary of the Company.*

3 *KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Ltd. Co.', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which holds 48.90% in Al Sharif JV. Al Sharif JV is "Subsidiary" of the Company under the Companies Act, 2013. In terms of Indian Accounting Standard (Ind AS- 111) the financials of Al Sharif JV continues to be forming part of standalone accounts due to Joint Operation Control between the shareholders.*

4 *There are no Subsidiaries which have been liquidated or sold during the year.*

Part "B" : Associates and joint ventures

₹ in Crore

Name of Associates / joint ventures	RP Goenka Group of Companies Employees Welfare Association
1. Latest audited balance sheet date	31/03/2022
2. Shares of Associate / joint ventures held by the company on the year end	
No.	-
Amount of Investment in Associates / joint ventures	-
Extend of Holding %	49
3. Description of how there is significant influence	By virtue of shareholding
4. Reason why the associate / joint ventures is not consolidated	Refer foot note no-1
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	-
6. Profit / Loss for the year	-
i. Considered in Consolidation	No
ii. Not considered in Consolidation	-

The figures reported above are without considering elimination

Footnotes:

1. *As there are significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends, the carrying value of the Group's interest in the Associate are not considered in the consolidated financial statements.*
2. *There are no associates or joint ventures which have been incorporated, liquidated or sold during the year.*

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of the Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees#	Percentage of the post-Issue share capital held (%)(1)(2)
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]

(1) *Based on beneficiary position as on [●] (adjusted for Equity Shares Allocated in the Issue).*

(2) *The post-Issue shareholding (in percentage terms) of the proposed Allottees will be 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.*

#The details of the proposed Allottees have been intentionally left blank and will be filled in before filing the Placement Document with the Stock Exchanges and issuing the Placement Document to such proposed Allottees.

DECLARATION

The 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 Preliminary 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. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

For and on behalf of the Board of Directors, signed by:

____

Authorised Signatory

Name: Vimal Kejriwal
Designation: Managing Director and Chief Executive Officer
Date: September 24, 2024
Place: Mumbai

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 Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board of Directors, signed by:

____

Authorised Signatory

Name: Vimal Kejriwal
Designation: Managing Director and Chief Executive Officer
Date: September 24, 2024
Place: Mumbai

I am authorised by the Committee of Directors, *vide* resolution dated September 24, 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 promoter 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:

Name: Vimal Kejriwal
Designation: Managing Director and Chief Executive Officer
Date: September 24, 2024
Place: Mumbai

KEC INTERNATIONAL LIMITED

Registered and Corporate Office
RPG House, 463,
Dr. Annie Besant Road,
Worli, Mumbai - 400 030,
Maharashtra, India

Telephone: +91 22 6667 0200
E-mail: kecindia@kecrpg.com
Website: www.kecrpg.com
CIN: L45200MH2005PLC152061

Contact Person
Suraj Eksambekar, Company Secretary and Compliance Officer
Address: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
Telephone: +91 22 6667 0200
E-mail: eksambekars@kecrpg.com

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai
400 025, Maharashtra, India

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg
Prabhadevi, Mumbai – 400 025,
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

Price Waterhouse Chartered Accountants LLP

LEGAL COUNSEL TO OUR COMPANY AS TO INDIAN LAW

As to Indian Law

J. Sagar Associates
One Lodha Place, 27th Floor
Senapati Bapat Marg
Lower Parel, Mumbai – 400 013
Maharashtra, India

LEGAL COUNSELS TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

Dentons Link Legal
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India

As to United States law

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321

SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

KEC International Limited (*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*) **Registered and Corporate Office**: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030, Maharashtra, India **Contact Person**: Suraj Eksambekar, Company Secretary and Compliance Officer **Tel**: +91 22 6667 0200; **E-mail**: kecindia@kecrpg.com; **Website**: www.kecrpg.com **CIN**: L45200MH2005PLC152061 **LEI**: 335800UCWKGDJBU7ZT31; **ISIN**: INE389H01022	**SAMPLE APPLICATION FORM** Name of Bidder: ___________________________ Form No.: _________________________ Date: ____

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] CRORES ON UNDERTAKEN IN ACCORDANCE WITH 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 IN RELIANCE UPON 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 KEC INTERNATIONAL LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 976.64 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs"), as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, which (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) 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; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) 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"), or a multilateral or bilateral development financial institution eligible to invest in India under applicable law, including the FEMA Rules; can submit this Application Form.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act"), or the securities laws of any state of the United States and 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 state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where such offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 248 and 256, respectively, in the accompanying preliminary placement document dated September 24, 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 THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, 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 IN THIS REGARD. 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, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES A 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 UNDER 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.

To,
The Board of Directors
KEC INTERNATIONAL LIMITED
Registered Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030, Maharashtra, India
Dear Sirs,
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, at 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

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	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)

**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*

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. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), and this Application Form does not directly or indirectly represent the Promoter or Promoter Group, or persons or entities related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with the Promoter, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. 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. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorised 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 under applicable law 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 authorised to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue. We note that the Company is entitled, in consultation with ICICI Securities Limited and JM Financial Limited (the "**BRLMs**"), in their absolute 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 (when issued) and the 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 the Application Form and Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount 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, and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or 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 the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document (when issued), 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, addresses, nationalities, contact details, email IDs, 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 discretion of the Company, in consultation with the BRLMs; 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, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other 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 BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**") and we consent to such disclosures. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and restriction on transferability. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and restriction on transferability, as may be applicable to us. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections titled "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" 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 BRLMs, each of whom is entitled to rely on, and is relying on, these representations warranties, acknowledgements and agreements 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 titled "*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 BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when issued), this Application Form, the confirmation of allocation note ("**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 Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, 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 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 BRLMs; (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 BRLMs; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. 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 QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (10) 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 (when issued), 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; (11) 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; (12) 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; (13) we satisfy any and all relevant suitability standards for investors in the 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 the Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares; (14) 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, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date; and (15) in case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorised to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account on behalf of the 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 are made. We confirm that we have read and hereby make the representations, warranties, acknowledgments and agreements contained in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" of the PPD.

BIDDER DETAILS (in Block Letters)				
NAME OF BIDDER*				
NATIONALITY				
REGISTERED ADDRESS				
CITY AND CODE				
COUNTRY				
TELEPHONE NO.		**FAX. NO.**		
EMAIL ID				
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/SI-NBFCs/ ICs/Ifs**		**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs**
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 BRLMs.* * 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.*				

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3.30 P.M. (IST), [●], 2024	
Name of the Account	KEC INTERNATIONAL LIMITED QIP ESCROW ACCOUNT
Name of the Bank	ICICI Bank Limited
Address of the Branch of the Bank	ICICI Bank Limited, Capital Market Division, 163, 5th Floor, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400020
Account Type	Escrow Account
Account Number	000405159778
IFSC	ICIC0000004
Tel No.	+91 22 04703457
E-mail	ipocmg@icicibank.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 "KEC INTERNATIONAL LIMITED 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 BRLMs 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*	
Date of Application	
LEI Number	
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
☐ FIR
☐ 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 number 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 practicable.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, 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 BRLMs.
(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical 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.
(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.

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