KEC INTERNATIONAL LTD.
RPG House
463, Dr. Annie Besant Road
Worli, Mumbai 400030, India
+91 22 66670200
www.kecrpg.com

July 12, 2021

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051

Symbol: KEC

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001

Scrip Code: 532714

Ref: Disclosure under Regulation 34 and Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Intimation of Annual General Meeting and Integrated Annual Report of FY 2020-21

Dear Sir/ Madam,

This is to inform you that the Sixteenth Annual General Meeting ("AGM") of the Members of the Company will be held on Wednesday, August 04, 2021, at 4:00 pm (IST) through Video Conferencing (VC) / Other Audio - Visual Means (OAVM), in accordance with the relevant circulars issued by Ministry of Corporate Affairs, *inter alia*, to transact the businesses stated in the Notice convening the said AGM.

Pursuant to Regulation 34(1) and Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company for the financial year 2020-21 along with the Notice of AGM, which are being sent through electronic mode to the Members of the Company, whose e-mail ids are registered with Depositories/ the Company/the Registrar and Share Transfer Agent. The Integrated Annual Report and Notice of AGM are also available on the website of the Company at https://www.kecrpg.com/agm under the tab "AGM 2021".

The Notice of the AGM of the Company *inter alia* indicates the process and manner of remote e-voting/ e-voting at the AGM and instructions for participation at the AGM through VC/OAVM.

You are requested to take the same on records.

Thanking you,

Yours faithfully,
For KEC International Limited

Amit Kumar Gupta

Digitally signed by Amit Kumar Gupta
DN: c=IN, o=Personal,
2.5.4.20=b7e8678b2d6b381cb8f4761d9cbb4338253df2c8e93e8fcf768f8e86438a00a1, postalCode=400705,
st=Maharashtra,
serialNumber=de9bbd80d8994e4be9f0dd2399144eba7e782d70287df6aad1994f0b522fa08a, cn=Amit Kumar Gupta
Date: 2021.07.12 16:07:55 +05'30'

Amit Kumar Gupta
Company Secretary & Compliance Officer

Encl: as above

KEC International Limited

Integrated Annual Report
2020-21

Build. Sustain.
Outperform.

About RPG Group

Established in 1979, the RPG Group is a diversified conglomerate with businesses in the areas of infrastructure, tyres, information technology, pharmaceuticals, energy, and plantations. Founded by Dr. R.P. Goenka, the Group's lineage dates back to early 19th century. Today, the group has several companies in diverse sectors such as KEC International, CEAT, Zensar Technologies, and RPG Life Sciences. Built on a solid foundation of trust and tradition, the RPG name is synonymous with steady growth and high standards of transparency, ethics, and governance.

hello **happiness**

2020, the year of adversity, has taught us the value of resilience, courage, and empathy, and more importantly, the triumph of the human spirit. The pandemic changed many paradigms. Survival and health took precedence over worldly possessions. At RPG, the happiness of our employees, investors, customers and various stakeholders is a priority and forms the bedrock of all initiatives. We made work from anywhere a reality for our 30,000+ employees, delivered safe and digital solutions for clients, provided means to food and sanitation to the underprivileged, covid testing booths and ventilators to stressed healthcare centres and hospitals and we continue to endeavour to make sustainability the core of our brand purpose.

"hello happiness" is not just another tagline for us. It is intrinsic to life at RPG and is our promise to the world, signifying our intent to touch and enrich others' lives and work collectively towards a common goal that makes each of us rise beyond our limitations. It is a proud proclamation that we are an organisation where fences do not constrain dreams, and each one of us is encouraged to reach for happiness that is within our grasp.

BUILD. SUSTAIN. OUTPERFORM.

We build infrastructure to empower people and nations; we build with a focus to sustain the environment; we build to deliver outperformance for our stakeholders.

Starting from the early 1940s, we have grown from strength to strength and are today amongst the most respected Engineering, Procurement, and Construction (EPC) companies globally. From humble beginnings in the Transmission tower industry, we have built a portfolio of businesses such as Power Transmission & Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infrastructure, Oil & Gas Pipelines, and Cables. Our sustained outperformance is a result of our single-minded focus on building projects across businesses, countries, and clients. We continue to strengthen our core through focussed investments in building a world-class engineering organisation, integrated global supply chain, industry-leading execution capabilities by leveraging latest mechanisation, automation and digital technologies.

Our experience reinforces our belief that to build sustainable businesses, we need to build a sustainable ecosystem of environment, society, safety, and governance. We are committed to excellence and outperformance by embedding sustainability practices across our processes and operations. Our well-integrated processes and streamlined operations enable us to be responsive and agile, yet build a scale that drives efficiency and industry leadership. Our commitment towards building a better world is reflected not only in the businesses we operate but also in all our actions, people policies, safety and environment guidelines, and CSR activities.

We are powered by our mission to **"Build Infrastructure for the World of Tomorrow"**.

On the Cover


Third line between Gudur-Bitragunta, Andhra Pradesh


400 kV Pavagada - Devanhalli Transmission Line, Karnataka


765/400 kV North Chennai Gas Insulated Substation, Tamil Nadu


Greenfield cement manufacturing plant at Mukutban, Maharashtra


20 MW Solar Carport project, Haryana


Delhi Metro Rail project, New Delhi

Index

KEC on Social Media:

@KEC International Ltd.
@KEC_Intl
@KEC International Limited

Scan this code with a QR reader app on your smartphones or tablets and know more about us.

http://www.kecrpg.com/

ABOUT THE REPORT

Rani-Swaroopganj Railway Electrification Project, Rajasthan

KEC International places great emphasis on transparent reporting of its performance, strategy and value creation process. The Company recognises this as a critical responsibility towards its stakeholders. By adopting best global frameworks, guidelines and practices, the Company endeavours to imbibe high business standards aimed at driving sustainable growth and value for the organisation, its stakeholders, the society as well as the environment.

APPROACH TO REPORTING

This is the Company's second integrated annual report, aimed at providing a comprehensive depiction of the Company's financial and non-financial performance to the stakeholders. This Report provides insights into key strategies, operating environment, risks and opportunities, governance and the Company's approach towards long-term value creation.

REPORTING FRAMEWORKS

The report is prepared as per the IR Framework of the International Integrated Reporting Council (IIRC), which provides a useful basis for disclosing how the Company creates long-term sustainable value for its stakeholders across various forms of capitals. Refer page numbers 39 to 70 for the integrated report.

This report also complies with the requirements stated in the Companies Act, 2013 (including the rules made thereunder), the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI circular on voluntary adoption of Integrated Reporting, dated February 6, 2017.

REPORT SCOPE & BOUNDARY

The report covers financial and non-financial information and activities of the Company and its subsidiaries during the period April 1, 2020 to March 31, 2021.

RESPONSIBILITY STATEMENT

This report addresses material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner, in line with the interests and priorities of the Company's stakeholders.

FORWARD-LOOKING STATEMENTS

Certain information provided in this Report may contain forward-looking statements, which involve known and unknown risks and opportunities, other uncertainties and relevant factors that could turn out to be materially different following the publication of actual results. We have tried, wherever possible, to identify such statements by using words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. We have chosen these assumptions in good faith, and we believe that they are reasonable in all material respects. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

STATUTORY AUDIT

The report's financial figures are audited by Price Waterhouse Chartered Accountants LLP. Non-financial information presented in the report has been reviewed internally by the management.

Your valuable feedback is solicited to sharpen the Company's future reporting. Please share your insights and suggestions on investorpoint@kecrpg.com.

KEC AT A GLANCE

KEC International, headquartered in Mumbai, India, is the flagship company of the RPG Group. A USD 1.8 billion Engineering, Procurement, and Construction (EPC) major, we deliver projects in key infrastructure sectors such as Power Transmission & Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infrastructure, Oil & Gas Pipelines, and Cables.

Our robust and integrated capabilities span the entire EPC value chain from 'concept to commissioning'. We have successfully executed complex projects across some of the world's most difficult terrains and conditions, aided by robust engineering, procurement, execution and project management capabilities. We have vast manufacturing footprint extending across India, Dubai, Brazil and Mexico. Our global presence has enabled a robust and agile supply chain that extends across six continents in over 105 countries.

For over 75 years, we have prided ourselves for our unmatched expertise in EPC, backed by a strong customer-centric approach, quest for world-class quality, and 'safety-first' attitude. Integrity in our actions and respect for people, environment and our stakeholders are the cornerstones of our corporate responsibility. Empowered by a mindset driven to outperform and excel, we build infrastructure for the world of tomorrow.

Our Strengths

- Well-diversified across businesses and geographies
- Strong project management and execution capabilities
- Preferred contractor for ahead of schedule delivery of projects
- Capabilities to execute projects in difficult terrains and conditions
- Unparalleled manufacturing, engineering and design capabilities
- Backward integration of operations – Transmission & Distribution, Railways, and Solar
- Well-integrated global supply chain
- Experienced professionals from over 35 diverse nationalities

9,258 Employees

35+ Nationalities

₹ 13,114 crore
Revenue

₹ 19,109 crore
Order Book
(as on March 31, 2021)

2,443 km
Transmission Lines Executed

141
Substation Bays built

1,329 RKM
22% of India's Railway Tracks electrified

Vision Statement

Unleash Talent

Enabling environment for people to unleash their entrepreneurial spirit and realise their full potential

Touch Lives

To understand, care and make a meaningful difference to customers, employees, society and all stakeholders

Outperform

Sustained and clear outperformance relative to all our competitors and industry on financial and non-financial metrics that matter

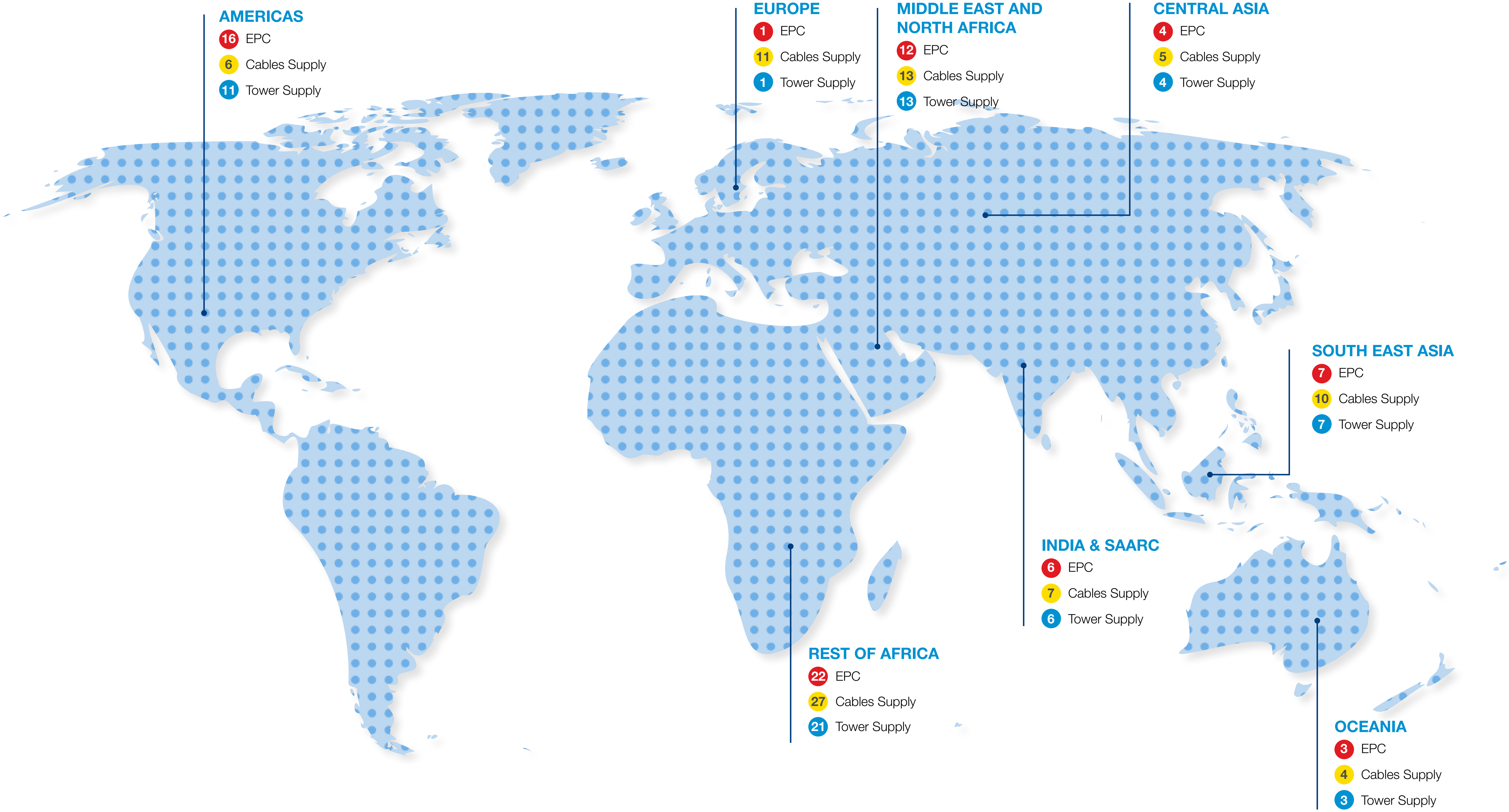
To have fun by creating a high-energy environment with a keen sense of belonging and smiling faces everywhere

Values

Dedicated to delivering the best while staying true to deep-rooted values

- Integrity
- Openness
- Courage
- Passion
- Respect

DIVERSIFIED GLOBAL FOOTPRINT



70+ Countries
EPC

80+ Countries
Cables Supply

65+ Countries
Tower Supply

105+
Footprint in no. of countries (Includes EPC, Supply of Towers and Cables)

33 Countries
Executed/executing EPC projects in FY21

40%+
Business from outside India

4,22,200 MTPA
Global manufacturing capacity (Includes Towers, Poles, Hardware, Structures for Substations, Railways, and Solar)

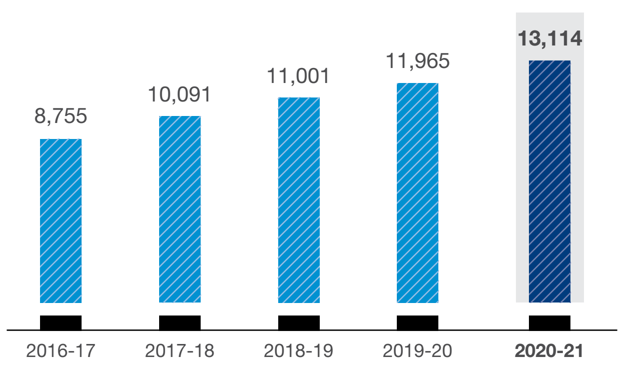
8
Manufacturing plants across India, Dubai, Brazil, and Mexico

2,39,510
Lives impacted through CSR (including COVID-19 Response beneficiaries)

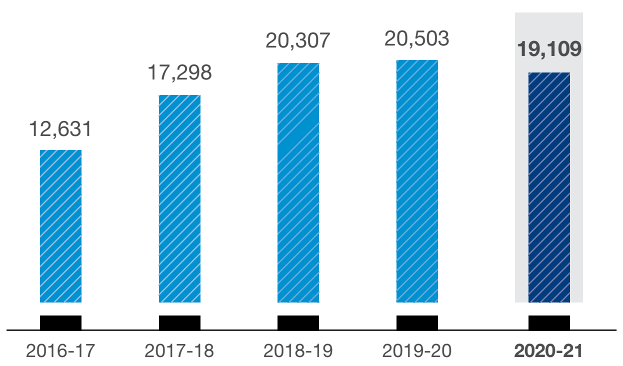
Map not to scale. For illustrative purposes only.

FINANCIAL PERFORMANCE

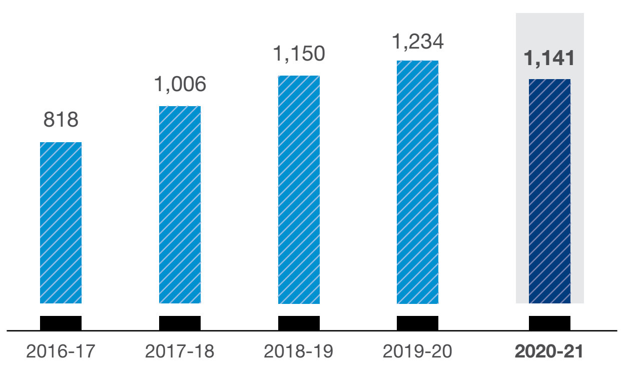
Revenue (₹ in crore)



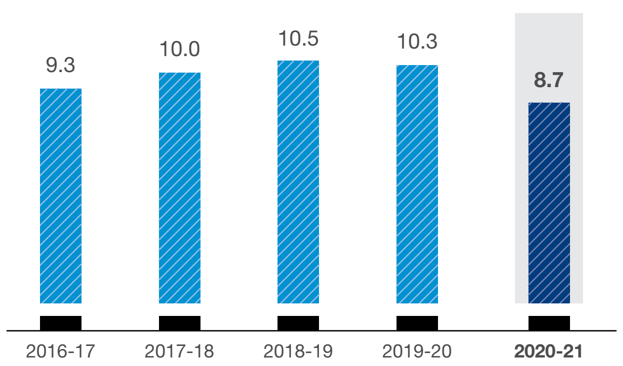
Order Book (₹ in crore)



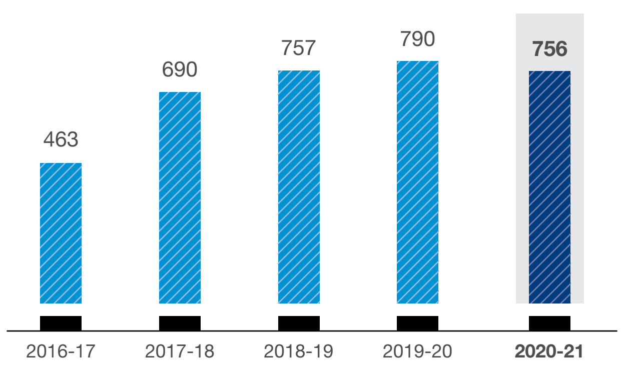
EBITDA (₹ in crore)



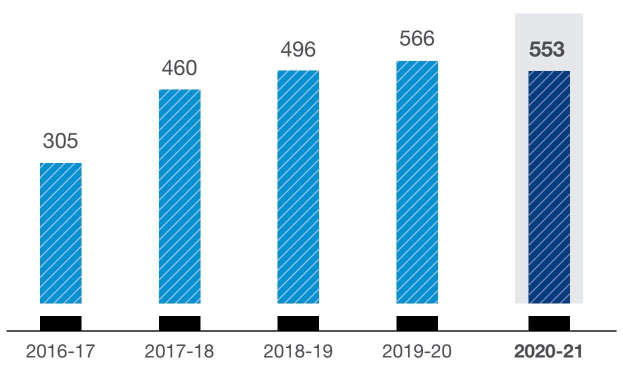
EBITDA Margin (%)



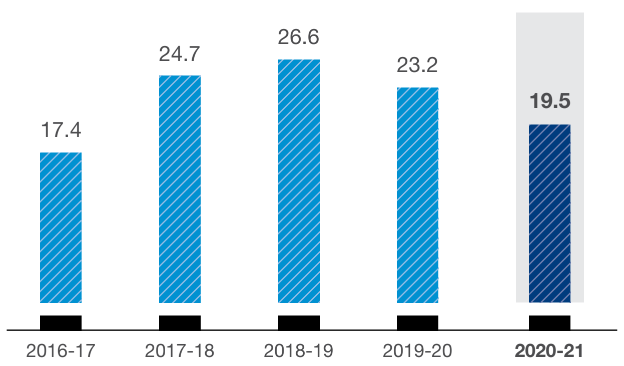
PBT (₹ in crore)



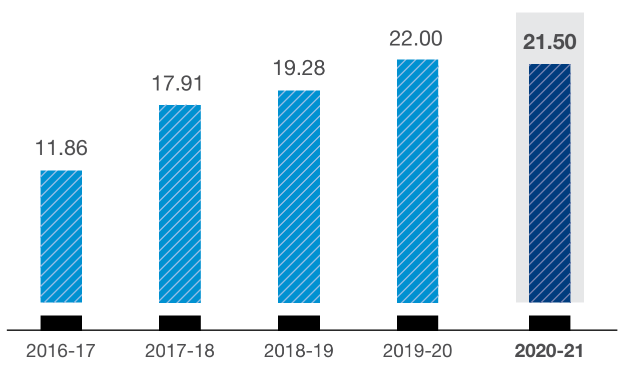
PAT (₹ in crore)



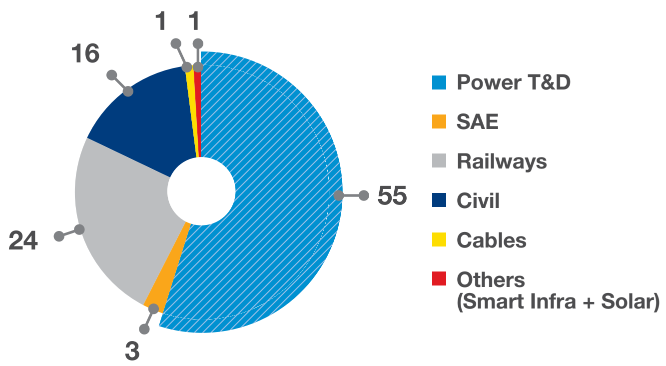
Return on Capital Employed (ROCE) (%)



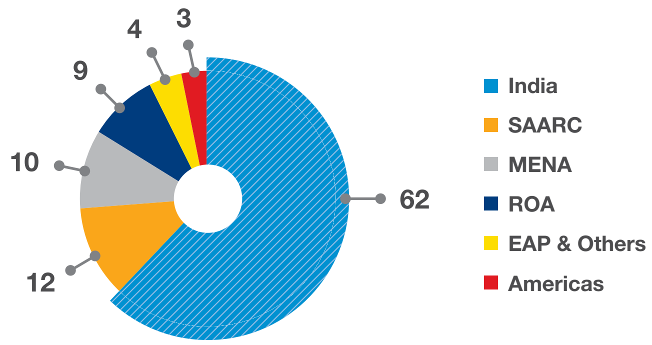
EPS (Face value ₹ 2 each)



Business-wise Order Book (%)



Geography-wise Order Book (%)



Notes:

1. All financial numbers are IND AS compliant
2. SAARC – South Asian Association for Regional Cooperation Countries; MENA – Middle East & North Africa; ROA – Rest of Africa; EAP – East Asia Pacific Countries; CIS – Commonwealth of Independent States
3. Graphs are not up to the scale

CORPORATE INFORMATION

REGISTERED OFFICE

RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030

Ph: 022-66670200

Fax: 022-66670287

MANUFACTURING FACILITIES

Towers and Structures (Substations, Railways & Solar)

India

Butibori:

B-190 Industrial Area, Butibori 441 108, Maharashtra

Jabalpur:

Deori, P.O. Panagarh, Jabalpur 483 220, Madhya Pradesh

Jaipur:

Jhotwara Industrial Area, Jaipur 302 012, Rajasthan

International

Brazil:

R. Moacyr G. Costa, 15 - Jd., Piemont Sul 32669-722, Betim/ MG, Brazil

Dubai:

Plot No. 597-653, Dubai Investment Park-2, Jebel Ali Industrial Area, Dubai, UAE

Mexico:

Arco, Vial Saltillo-Nuevo Laredo, Km. 24.1 C.P. 66050-79, Escobedo, N.L., Mexico

Cables

Mysuru:

Hebbal Industrial Area, Hootagalli, Belavadi Post, Mysuru 571 186, Karnataka

Vadodara:

Village – Godampura (Samlaya), Taluka – Savli, Vadodara 391 520, Gujarat

BANKERS

India

Bank of India
State Bank of India
Export-Import Bank of India
Bank of Baroda
ICICI Bank Limited
IDBI Bank Limited
Punjab National Bank
Axis Bank Limited
Indian Bank
Union Bank of India
Canara Bank
Central Bank of India
Standard Chartered Bank
RBL Bank Limited
IDFC First Bank Limited
YES Bank Limited
Kotak Mahindra Bank Limited
Deutsche Bank AG
Société Générale

Middle East

Abu Dhabi Commercial Bank, Abu Dhabi
Bank Muscat, Saudi Arabia
First Abu Dhabi Bank, Abu Dhabi
Arab Banking Corporation (B.S.C.)
National Bank of Oman, Muscat
ICICI Bank Ltd., Bahrain

Brazil

Banco Itau BBA S/A
Banco Bradesco S/A
Banco do Brasil
ABC Bank
China Construction Bank
Banco Safra
BDMG
Banco Intermedium
Banco Daycoval
Banco Semear
Citi Bank
Banco HSBC SA Brazil

Mexico

Grupo Financiero BBVA Bancomer
Banco Santander
Banco Banamex
Banco HSBC

USA

Wells Fargo
JP Morgan Chase

BOARD OF DIRECTORS

Harsh V. Goenka
Chairman

Vimal Kejriwal
Managing Director & CEO

A.T. Vaswani
Independent Director

Dilip G. Piramal
Independent Director

G.L. Mirchandani
Independent Director

M.S. Unnikrishnan
Independent Director

Nirupama Rao
Independent Director

Ramesh Chandak
Independent Director

S.M. Trehan
Independent Director

Vikram Gandhi
Independent Director

MANAGEMENT TEAM

Vimal Kejriwal
Managing Director & CEO

Rajeev Agarwal
Chief Financial Officer

Neeraj Nanda
President – South Asia (T&D, Solar & Smart Infra)

Anand Kulkarni
Executive Director – Business Operations

Kaushal Kodesia
Executive Director – Railways

Manjit Singh Sethi
Executive Director – Cables

Nagesh Veeturi
Executive Director – Civil

Sanjeev Agarwal
Executive Director – International (T&D, Solar)

Gustavo Cedeno
CEO – SAE Towers

Pankaj Kalani
Senior Vice President – Finance and Chief Executive – Oil & Gas Pipelines

Somraj Roy
Chief Human Resources Officer

Sumant Srivastava
Chief Executive – KEC Towers LLC and Senior Vice President – MENA

Amit Kumar Gupta
Company Secretary

AUDITORS

Price Waterhouse Chartered Accountants LLP
Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083

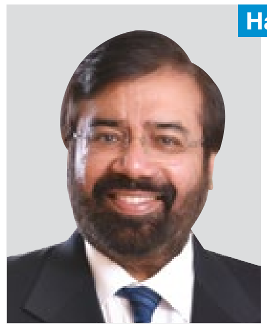
Ph: +91 22 49186270

Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

380 kV Transmission Line, Saudi Arabia

BOARD OF DIRECTORS



Harsh V. Goenka - *Chairman*

Graduate in Economics, University of Calcutta; MBA, IMD (Switzerland)

Mr. Harsh V. Goenka is Chairman of RPG Enterprises, one of the largest industrial groups in India, active in key business segments such as tyres, infrastructure, information technology and other diversified segments having an annual turnover of about USD 4 billion. Born in December 1957, Mr. Goenka is a graduate in Economics and MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland and is now on the Foundation Board of IMD, Lausanne. Mr. Goenka, a past President of the Indian Merchants' Chamber, in India, is also a member of the Executive Committee of FICCI. He has been the Chairman of the Board of the Company since 2006.

Vimal Kejriwal - *Managing Director & CEO*

Chartered Accountant, ICAI; Company Secretary, ICSI; Advanced Executive Programme, Kellogg School of Management, USA

Mr. Vimal Kejriwal is the MD & CEO of KEC International Ltd. He has successfully led the Company towards profitable growth during his tenure. Mr. Kejriwal has over 38 years of rich global corporate experience in the areas of Power Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers, and Investment Banking. He also serves on the Boards of SAE Towers Holdings LLC, USA, a wholly-owned subsidiary of KEC, and Raychem RPG Private Limited, an RPG Group company. He is also an Executive Council Member of Indian Electrical and Electronics Manufacturers' Association (IEEMA).

A.T. Vaswani - *Independent Director*

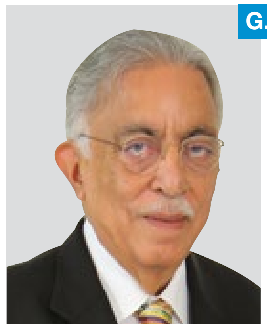
Chartered Accountant, ICAI; Company Secretary, ICSI

Mr. A.T. Vaswani has 60 years of experience in business and industry. Since 1981, he has served on the Boards of leading multinational companies in both executive and non-executive capacities, including as the Deputy CEO of Metal Box of India Ltd., a leading packaging company, and as the Director & Senior Vice President of Glaxo India Ltd., India's largest and most respected pharmaceutical company. He currently serves as an Independent Director on a few Boards and chairs the Audit Committees of some of these companies.

Dilip G. Piramal - *Independent Director*

Bachelor of Commerce, Sydenham College of Commerce and Economics, Mumbai University

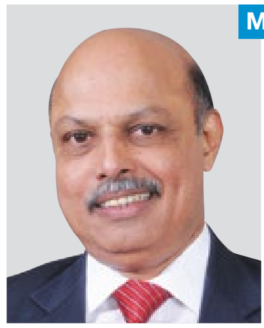
Mr. Dilip G. Piramal serves as the Chairman of VIP Industries Ltd., the flagship luggage company of the Dilip Piramal Group. He is an industrialist with a vast and rich experience. Mr. Piramal is a Past President of the IMC Chamber of Commerce and Industry, the All India Plastic Manufacturers Association (AIPMA) and the Organisation of Plastic Processors of India (OPP).



G.L. Mirchandani - *Independent Director*

Bachelor of Engineering (Mechanical), BITS Pilani

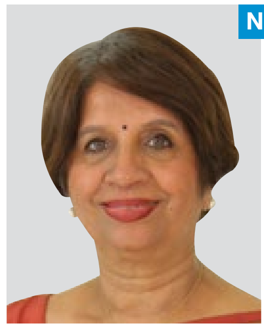
Mr. G.L. Mirchandani is an eminent industrialist and the Founder Chairman of the Onida Group. Mr. Mirchandani is on the Board of Fractal Analytics. He is also the Chairman of Algorhythm Tech Pvt. Ltd. and is the former Chairman of the Bombay Chapter of the World Presidents' Organisation (WPO). He remains closely involved with the development of corporate strategy & formulation, incubation, and delivery of emerging technologies & services in television and other electronic products.



M.S. Unnikrishnan - *Independent Director*

Bachelor of Engineering (Mechanical), VNIT Nagpur; Advanced Management Programme, Harvard Business School, USA; Fellow of Indian National Academy of Engineering

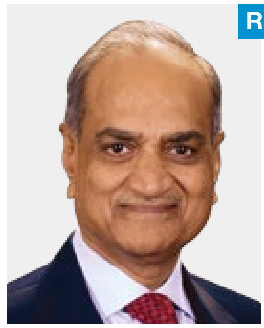
Mr. M.S. Unnikrishnan is the CEO of IITB-Monash Research Academy and chairs the Confederation of India Industries (CII) National Committee of Industrial Relations. He has previously held the position of MD & CEO of Thermax Ltd. He chaired the Capital Goods Skill Council under the National Skill Development Corporation and the Skills Working Group of BRICS Business Council. He is the Chairperson of Research Council of Central Mechanical Engineering Research Institute. He serves as a director of IIT Palakkad Technology Innovation Hub Foundation and also on the boards of several other listed and unlisted Companies.



Nirupama Rao - *Independent Director*

Bachelor of Arts, Bangalore University; Master of Arts (English Literature), Marathwada University; Doctor of Letters (Honoris Causa), Pondicherry University

Ms. Nirupama Rao topped the All India Civil Services Examination in 1973 and joined the Indian Foreign Service. 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 in 2004. 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. She currently serves on the Boards of several listed companies.



Ramesh Chandak - *Independent Director*

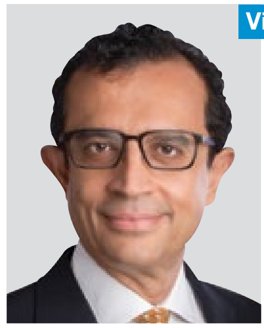
Chartered Accountant, ICAI; Advanced Management Programme, Harvard Business School, USA

Mr. Ramesh Chandak is the CEO of RDC Business Advisory, which provides individualised leadership coaching, strategy, succession planning and management services. Prior to starting his Advisory practice, he had a successful career spanning over 40 years across manufacturing & infrastructure industries in India, Malaysia and USA. He currently serves on the Boards of several listed companies. He is a recipient of CA Business Leader Award in 2008 by the Institute of Chartered Accountants of India. He is a former President of Indian Electrical & Electronics Manufacturers Association (IEEMA).

S.M. Trehan - *Independent Director*

Bachelor of Engineering, Birla Institute of Technology, Ranchi; Master of Science, State University of New York, USA

Mr. S.M. Trehan is a gold medallist engineering graduate with a rich experience in the engineering field. He is the former CEO & MD of Crompton Greaves Ltd. (now known as CG Power and Industrial Solutions Ltd.). During his tenure, CG Power achieved phenomenal growth and received global status through its various acquisitions. He has also served as Chairman of the Board of Governors of Thapar University and is the past Chairman of the CII - Western Region.



Vikram Gandhi - *Independent Director*

Bachelor of Commerce, University of Mumbai; Chartered Accountant, ICAI; MBA, Harvard Business School, USA

Mr. Vikram Gandhi is a member of the Faculty of the Harvard Business School (HBS) and is the Founder of Asha Impact, an impact investing platform addressing the critical development challenges in India and other emerging economies. Mr. Gandhi is a Senior Advisor to the Canada Pension Plan Investment Board and is a member of the Young Presidents Organisation (YPO) since 1997. In his 24 years in Investment Banking, he has led various global teams at both Credit Suisse and Morgan Stanley.

CORPORATE GOVERNANCE STRUCTURE

CORE PRINCIPLES OF CORPORATE GOVERNANCE

To conduct business in an ethical, transparent and accountable manner, for sustainable long-term value creation

BOARD OF DIRECTORS

Balanced Board of Executive, Non-Executive and Independent Directors having a diverse range of expertise and experience

- Provides strategic direction and reviews & monitors overall performance
- Ensures long-term interest of the stakeholders is being served

BOARD COMMITTEES

- AUDIT COMMITTEE
- NOMINATION AND REMUNERATION COMMITTEE
- STAKEHOLDERS' RELATIONSHIP COMMITTEE
- CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
- RISK MANAGEMENT COMMITTEE
- FINANCE COMMITTEE

The Board has constituted a set of Committees with specific terms of reference / scope to focus effectively on diverse matters.

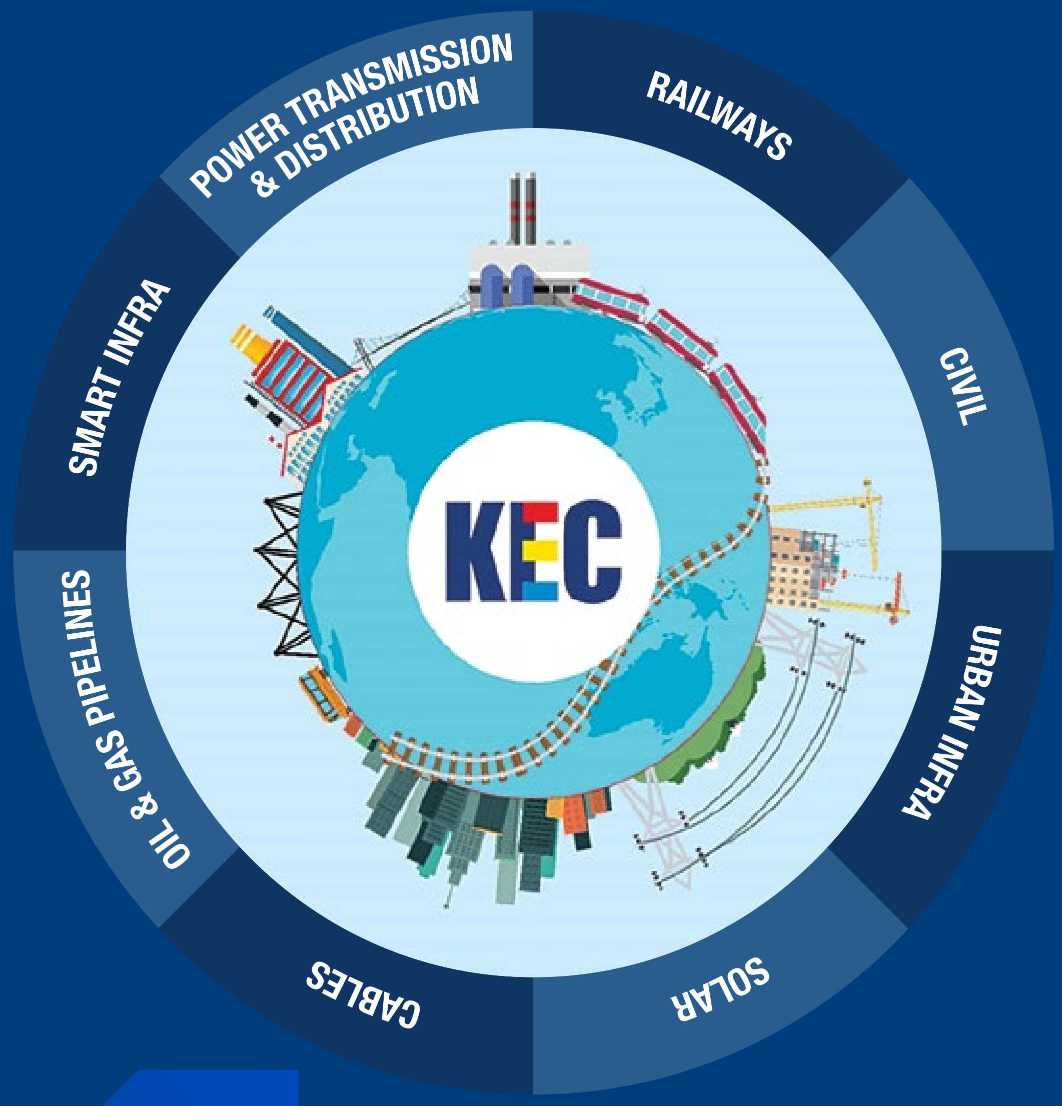
MANAGING DIRECTOR AND CEO

The day-to-day affairs are managed by the Managing Director & CEO under the overall supervision of the Board.

KEY CORPORATE FUNCTIONS

- BUSINESS OPERATIONS
- MARKETING & BUSINESS DEVELOPMENT
- STRATEGY & TRANSFORMATION
- FINANCE
- HUMAN RESOURCE
- RISK
- SAFETY & QUALITY
- IT, DIGITAL & INNOVATION
- LEGAL & SECRETARIAL
- INVESTOR RELATIONS

Please refer to the Corporate Governance Report on page no. 119 for more information.



DELIVERING SUSTAINABLE GROWTH

TRANSMISSION & DISTRIBUTION

Powering the Globe

400 kV Atarat Oil Shale-Queen Alia Twin Conductor Transmission Line, Jordan

We are one of the largest Power Transmission & Distribution EPC companies in the world, with a footprint across 70+ countries. We provide integrated solutions on a turnkey basis for Transmission Lines up to 1,200 kV and large-sized Substations – Air insulated up to 1,150 kV, Gas insulated up to 765 kV and Hybrid Substations up to 220 kV, and are currently executing over 160 Transmission Lines and Substation projects across geographies.

Our well-diversified footprint and understanding of local markets across geographies help us deliver outperformance year-on-year. Our global presence extends across South Asia, Middle East, East Asia Pacific, Commonwealth of Independent States, Africa, Europe, Oceania, and the Americas. We take pride in executing challenging projects in extreme weather conditions and tough, inhospitable terrains, spanning mighty rivers and oceans, deserts, mountains, snowfields, and urban centres. Our superior capabilities in surveying, design & engineering, manufacturing, execution and project management, aided by a pool of highly experienced professionals, has been the hallmark of our unparalleled success.

Our sixth tower manufacturing facility, which was acquired in Dubai last year was commissioned in FY21. This state-of-the-art 50,000 MTPA plant is serving the high-growth potential markets such as the Middle East and other regions and driving a deeper connect with customers. We are one of the largest globally operating T&D players, with a total tower manufacturing capacity of 3,62,200 MTPA.

Demonstrating execution excellence, we have commissioned several milestone projects in FY21, including the 500 kV Pluak Daeng Substation Project in Thailand, which involved the erection of the country's largest Substation gantries and was commissioned three months ahead of schedule, Tanzania's first 400 kV substations at Dodoma and Singida, 400 kV Pugalur - Arasur Transmission Line in Tamil Nadu, part of Power Grid Corporation of India Limited's (PGCIL) prestigious 800 kV Raigarh - Pugalur HVDC project, 400 kV Silchar and Misa Substations in Assam for PGCIL, part of North Eastern Region Strengthening Scheme-II, amongst others.

In our quest for excellence, we are leveraging advanced mechanisation, digitalisation and automation technologies across our projects. During the COVID-19 pandemic, the Company focussed on innovation and deployed several unique initiatives, which significantly boosted productivity and quality despite labour availability challenges, and helped us maintain project completion timelines without compromising on EHS standards. Leading-edge solutions in areas such as execution, safety, workforce management, quality have been well-appreciated by our clients and has helped us reinforce our leadership position in the industry.

SAE Towers, our wholly-owned subsidiary is one of the most comprehensive in-house resources for transmission structures and related services in the Americas. The Company provides complete end-to-end solutions for building Transmission Lines and Substations across the Americas. It is also one of the largest producers of steel lattice transmission towers in the region and manufactures an extensive range of products that include poles, hardware, and substation structures.

Our endeavour to deliver world-class quality projects ahead of time gives us a unique edge in the EPC industry, as we continue to build some of the world's most iconic power infrastructure. Our success has been a result of:

- Cutting-edge design and engineering solutions for Transmission Lines and Substations
- Strong project management and execution capabilities
- Bespoke and efficient solutions to meet challenging customer needs
- Ability to work in any condition – be it extreme weather, hostile environment or difficult terrain
- Adoption of latest mechanisation, digitalisation and automation technologies to improve productivity and quality
- Strategically located manufacturing facilities; three in India and one each in UAE, Brazil and Mexico
- Robust and integrated global supply chain
- Partnerships and alliances with global players across geographies

765/400 kV North Chennai Gas Insulated Substation, Tamil Nadu

FY 2020-21 Highlights

South Asia business (India and SAARC)

- Achieved revenue growth despite significant COVID-19 challenges during the year
- Strengthened presence in India with large orders of ₹ 1,500 crore from PGCIL, under Tariff Based Competitive Bidding (TBCB) route, for Green Energy Corridor in Rajasthan
- Reinforced presence in SAARC with orders/L1 of ~₹ 1,500 crore across countries, including our first Substation order in Sri Lanka
- Delivered 19 projects across India and SAARC during the year
- Received appreciations from clients such as Power Grid Corporation of India Ltd., Bihar State Power Transmission Company Ltd., Power Grid Company of Bangladesh and Da Afghanistan Breshna Sherkat for excellence in EHS practices

International business (MENA, Africa, South East Asia, CIS, Americas)

- Secured new orders of over ₹ 3,700 crore, a growth of ~4X over last year, including several large-sized orders in Oman and Mozambique
- Strengthened substation portfolio with orders of over ₹ 500 crore
- Commenced tower supplies from the recently acquired Dubai facility
- Business continuity, EHS and CSR initiatives undertaken during COVID-19 appreciated by several clients, including in Thailand, Senegal, Nicaragua, Burundi, etc.

SAE Towers

- Secured three new EPC orders this year aggregating to ₹ 500 crore, including our first substation EPC order in Brazil
- Currently executing six projects constituting 900 km of transmission lines in Brazil; Completed a large 500 kV transmission line project during the year

RAILWAYS

Diversification on Track

Villupuram-Thanjavur Railway Electrification project, Tamil Nadu; Hon'ble Prime Minister of India, Shri Narendra Modi inaugurated the project in February 2021

An integrated player with over five decades of rich expertise in the railway infrastructure EPC sector, we continue to strengthen and diversify our presence across various segments of Indian Railways and strategically venture into new emerging areas of urban transportation. We have successfully transitioned into a technology player from a conventional EPC player and now execute complex and technology-intensive projects in the areas of Metro, DFCC and High-Speed Rail. We are focussing on augmenting our people, processes, technological capabilities and safety practices to cater to the evolving needs of the Railway industry.

An early entrant in the Railways Overhead Electrification (OHE) segment, we are one of the largest contributors to the Indian Railways' 100% Electrification Mission, having electrified over 30% of the Indian Railway network till date, spanning more than 18,800 km. During the year, we have executed ~22% of India's railway electrification and commissioned 171 RKM of track laying, which is 26% of RVNL's overall achievement. We have delivered 11 railway projects, which were all commissioned ahead of contractual schedule. We also execute projects for civil works such as Road Over Bridges, stations, bridges, and other railway infrastructure.

One of our key growth drivers, the business continued its momentum and delivered a revenue growth of over 30% backed by robust execution due to a rapid and consistent ramp up across project sites despite COVID-19 hurdles. Some of the iconic, nation-building projects commissioned in FY21 include the Kalaikunda-Jhargram Third Line project in West Bengal and Villupuram Railway Electrification project in Tamil Nadu, both of which were inaugurated by Hon'ble PM Shri Narendra Modi, Bongaigaon-Sarupeta Electrification project in Assam, which marked the launch of the first electric train in the state and Kendrapara-Paradeep project in Odisha, first train line laid in Kendrapara district to significantly enhance port connectivity.

In line with our diversification strategy, we have expanded our presence in technologically-enabled areas and are now executing electrification - OHE as well as Third Rail, power supply systems, and track laying for Metros, speed upgradation for High-Speed Rail and next-generation Signalling & Telecommunication (S&T) systems for Dedicated Freight Corridor. We have also bagged our first track laying project from a private port operator. Over 50% of our order intake this year in Railways comprise of orders from these new segments.

In our endeavour for excellence, we are adopting the latest technologies to mechanise, digitalise and automate our processes across railway projects. We have deployed sophisticated machinery to expedite project execution and implemented digital solutions using technologies such as AI, IoT and analytics to improve planning, optimise costs, ensure efficient use of rail traffic block time, track train movements and manage workforce at project sites. These initiative have enabled us to significantly enhance efficiency, safety and quality, fast track project execution and deliver superior value to our clients.

We continue to strengthen the Railway supply chain and enhance our competitiveness in the market through backward integration. During the year, we have augmented the manufacturing capacities of railway contact and catenary conductors and signalling cables at the Vadodara factory to cater to the growing demand, in addition to introduction of new products such as Quad cables, Contact wires, Dropper, Jumper & Feeder wires and Earthing conductors for railways. We are also in the process of developing a few more cables for the Railway segment, which are in different stages of development.

We continue to manufacture galvanised steel structures for Railways at our tower manufacturing units, which has a capacity of 48,000 MTPA.

Project Excaliber, the business transformation program to enable growth of the Railway business in newer segments and improve the business' profitability, has reaped in significant benefits for the Company. The program has enabled us into diversify into technology intensive segments and redesign end-to-end business processes, including construction, procurement and manufacturing practices.

FY 2020-21 Highlights

- Achieved a robust revenue growth of over 30%, surpassing ₹ 3,400 crore
- Delivered double digit EBITDA margins in FY21
- 11 projects commissioned ahead of schedule during the year
- Delivered 22% of India's railway network electrified during the year, totalling to 1,329 route kilometres (RKM); Commissioned railway track laying of 171 RKM
- Forayed into technology-enabled areas in Metro Rail, speed upgradation for High-Speed Rail and advanced Signalling & Telecommunication (S&T) systems for Dedicated Freight Corridor
- Secured a breakthrough order in port connectivity segment from a private client
- Awarded early completion bonus for projects from RVNL and CORE

Bhopal-Itarsi Third Line project, Madhya Pradesh, comprising track laying, OHE, S&T works, bridges, stations and other railway infrastructure

Ballastless track laying works, Kochi Metro project

CIVIL

Building Tomorrow's India

Cement manufacturing plant at Jamshedpur, Jharkhand

Launched five years ago, our Civil business has become one of our key growth drivers in a short period of time and is currently executing over 30 turnkey EPC projects. The business focusses on the construction of factories, residential & public spaces, data centres, warehouses, water pipelines and sewage & water treatment plants, especially in the midsize market segment dominated by small unorganised players and by few large companies.

In line with our strategic diversification plans, the business widened its portfolio to enter new high growth areas in FY21 and secured breakthrough orders in the warehouse and water pipeline segments. We have established a firm foothold in the industrial segment as a preferred contractor for the construction of factories, especially in Cement and Automobile sectors. During the year, we have reinforced our presence in the industrial segment by foraying into the chemical, hydrocarbon & flue-gas desulfurisation segments.

As a testament to our efforts towards delivering superior quality construction on time, especially in the high-rise residential and cement sector, the business secured numerous repeat orders from prestigious clients, further bolstering our presence in these areas. In residential, we are currently executing eight projects for reputed clients in Mumbai, Bangalore, Pune, and Goa. The business is also executing two orders in the strategic Defence civil segment, including one for building a Data Centre.

We are constantly setting ourselves apart from the competition by integrating leading mechanisation and digitalisation technologies in our processes to deliver excellence to our clients. Our commitment towards adhering to international quality and EHS standards has been acknowledged by our clients and the industry time and again through various awards and appreciations.

In line with our growth plan, the business has achieved a revenue of ₹ 1,080 crore in FY21, a growth of ~3X compared to last year. With an order book and L1 of over ₹ 4,000 crore, the business is well on track to become a significant part of the business portfolio in the coming years.

FY 2020-21 Highlights

- Secured 15+ new orders and added 10+ new clients to the portfolio; 7 repeat orders from marquee cement and residential clients
- Breakthrough orders in new areas of growth - warehouse and water pipelines
- Strengthened presence in industrial sector with orders in chemical, hydrocarbon and flue-gas desulfurisation segments
- Executed/executing 12 Cement Silos and Preheaters, taking the total number of Silos, Preheaters and other critical structures to 27 till date
- Executing eight residential projects, including over 25 high-rise buildings, with a built-up area of ~50 lakh sq. ft., for marquee clients in Mumbai, Bangalore, Pune, and Goa
- Leveraging advanced digital technologies such as drones, photogrammetry, BIM, and IoT in construction and utilising latest formwork technology and mechanisation tools to improve productivity and timely delivery
- Developed proficiencies in erecting and commissioning heavy mechanical structures, of over 1,000 MTs, such as Cement Mill, Wagon Tippler, Stacker & Reclaimer and other critical structures
- Recognised for continued focus on EHS by National Safety Council of India (NSCI); Won the Construction HSE and Corona Warrior award at CIDC Vishwakarma Awards

Construction of high-rise residential towers using aluminium formwork technology, at Bangalore, Karnataka

URBAN INFRASTRUCTURE

Developing An Urban India

Kochi Metro and Panamkutty River Over Bridge

We entered the Urban Infrastructure sector in FY20, in line with our strategy, to expand into adjacencies and fulfill the sector's requirement of well-established EPC contractors capable of executing large Metro and RRTS (Regional Rapid Transit System) projects. Our focussed approach to cater to this promising market has yielded positive results. The Company is currently executing six large urban transport projects across four states in India.

During FY21, we secured two new orders/ L1 for construction of elevated viaducts; one from Chennai Metro Rail Limited and a second order from Kochi Metro Rail Corporation. We are now constructing six Metro and RRTS projects with a combined value of ₹ 3,833 crore, which include two projects each for Delhi Metro Rail Corporation and Kochi Metro Rail Corporation, one for Chennai Metro Rail Limited, and one for National Capital Region Transport Corporation to construct a section of the Delhi-Meerut RRTS.

Our experienced teams have established over six state-of-the-art casting yards and have achieved proficiency in erecting heavy precast superstructures using equipment such as launching girders and high capacity cranes. We are constructing over 30 stations in high density urban areas and close to 50 km of elevated viaducts, which cross existing metro lines, railway lines, flyovers, and rivers.

We have also ventured into power supply systems, electrification - OHE as well as Third Rail, and track laying works for Metros. Additionally, as part of these urban infra projects, we are executing associated civil infrastructure such as River Over Bridge and depot. During the year, we have commissioned a two-lane River Over Bridge in Kochi, six months ahead of schedule by deploying innovative, efficient, and cost-effective techniques. We are also constructing a 560m long Balanced Cantilever bridge over Yamuna riverbed for Delhi Metro Rail Corporation.

We are leveraging digital technologies such as Ground Penetrating Radar (GPR) for utility detection, drone for topographical surveys and BIM to design and monitor projects. These have enabled us to fast-track project execution and move closer towards the objective of delivering projects as per timelines.

FY 2020-21 Highlights

- Secured two new orders/L1 to construct Metro infrastructure in Kochi and Chennai
- Expanded presence in technology-enabled areas of Metro Electrification – OHE & Third Rail, Power supply systems, and Ballast-less track works
- Achieved significant progress in the Delhi Metro and Delhi-Meerut RRTS projects, despite challenges such as COVID-19 and supply disruptions
- Commissioned Panamkutty Bridge as part of Kochi Metro project, six months ahead of schedule, earning us appreciation from the client and local citizens
- Handed over a section of Kochi Metro viaduct to the client as per schedule and commenced ballast-less track works on the completed viaduct segment
- Received several client appreciations for our continued focus on execution excellence, safety and quality

Delhi-Meerut Regional Rapid Transit System (RRTS) project

Casting Yard, Delhi Metro Rail project

SOLAR
Towards A Greener Future

Our Solar business offers comprehensive EPC services across large-scale ground-mounted and rooftop solutions. We are one of the few companies with capabilities to execute large-scale EPC projects of up to 150 MW, with significant experience in Single Axis Tracker implementation. We are also spearheading unique solutions such as carport projects in India.

13.6 MW Rooftop Solar projects across four locations - Halol, Gujarat; Nagpur and Ambarnath, Maharashtra; Chennai, Tamil Nadu

We work with a wide range of clients that include government utilities, private solar park developers and industries developing captive power plants. Our extensive experience in building Transmission lines and Substations across the globe and strong relationships with utilities enable us to provide integrated evacuation and construction solutions. Our in-house capacities for supplying module mounting structures and special solar cables, coupled with superior project management capabilities and focus on accelerated project execution has helped us carve a niche in the solar industry.

During the year, the business has developed innovative solutions and capabilities to deliver a one-of-its-kind carport project. We are constructing a 20 MW Solar Carport, one of the largest carport project in India, for a reputed automobile manufacturer. We are also executing a 13.6 MW rooftop solar project for an automobile ancillary company, to convert existing industrial plant sheds into solar power generation units. We are presently handling Operations and Maintenance of more than 15 projects and exceeding the contractual/performance guarantees in all projects.

In line with our diversification strategy, we continue to target international markets such as MENA, Africa, Latin America, and South East Asian markets.

Services:

- End-to-end, in-house designing and plant engineering, including project feasibility analysis across large-scale solar photovoltaic power plants
- Supply/sourcing of key equipment and structures
- Manufacturing capacity of 12,000 MTPA of solar structures at Butibori plant
- Complete range of civil works and O&M services
- Integrated EPC solutions for solar generation and evacuation

FY 2020-21 Highlights

- Commissioned a 14 MW ground mount solar project in Maharashtra in under 90 days after land handover
- Partly commissioned 13.7 MW of a 20 MW Solar Carport project, one of the largest carport projects in India
- Supplied solar tracker structures to a multinational solar power developer in Middle East
- Strengthened partnership with various developers in India and overseas
- Won the Best Green Construction Award at the 10th World CSR Congress & Awards for our 6 MW Ground Mount Solar Project in Himachal Pradesh, India

SMART INFRA
Fostering a Smarter & Safer India

Our Smart Infra business has established itself as a trusted provider of technology-driven solutions for urban India through intelligent and innovative technology offerings, customised for Indian conditions and city-specific needs.

The business plays the role of a master system integrator and works closely with Central and State Governments, Urban Local Bodies and Utility Departments for creating Digital Infrastructure in the areas of Smart Cities, City Safety, Communication, Mobility, and Smart Utility. Now in its third year of operations, it is in advanced stages of commissioning two projects, Bidkin Smart City (AURIC), a greenfield project being developed on the Delhi-Mumbai Industrial Corridor and the brownfield Aurangabad Smart City Project, a city among 100 cities of the Smart Cities Mission. We have implemented state-of-the-art scalable solutions and developed the ICT ecosystem of the cities including creating a Fibre Backbone, setting up of Core Networking infrastructure, Surveillance System, Traffic Management, Wi-Fi, IoT-based sensors and Command and Control Centre.

We continue to strengthen our capabilities to deliver Smart City solutions, especially for Industrial Corridors and are constructing an Integrated Command and Control Centre for a greenfield project in Greater Noida, in addition to installing several Smart City components. The business has also forayed into the Defence Sector this year and is executing projects for Airport Perimeter Security Systems.

The business has firmly established itself as a strong player in the Master System Integrator space, by forging strategic partnerships with leading technology players and creating a robust eco-system of vendors and service providers for faster and superior execution.

Solutions & Services:

- Smart & Safe Cities - Integrated Command & Control Centre, City Surveillance, Smart Poles, Data Centre, Solid Waste Management
- Communication - Optic Fibre Cable Network, Network Operations Centre, Operations and Support Systems
- Smart Grid - SCADA and T&D Grid Management, Advanced Metering, Battery Energy Storage, Substation Automation
- Smart Mobility - Smart Transport Platforms, Automatic Vehicle Location & Management, Intelligent Traffic Management, Vehicle Tracking Systems, Adaptive Traffic Signals

FY 2020-21 Highlights

- Implementing the Bidkin Smart City (AURIC) and Aurangabad Smart City projects. IoT system is helping the authorities to monitor compliance to COVID-19 lockdown protocols
- Command & Control Centre, Biometric System and Digital Outdoor Displays for Aurangabad project inaugurated by Shri Aditya Thackeray, Minister of Tourism & Environment, Government of Maharashtra
- Forayed into Defence segment with projects for implementation of Integrated Perimeter Security System
- Built a strong partner eco-system of reputed players and service providers for faster and superior execution

Command and Control Centre at Aurangabad Smart City, Maharashtra

CABLES

Expanding Horizons

Cables manufacturing plant at Mysuru, Karnataka

Synonymous with superior quality and reliability, KEC Asian Cables offers an extensive range of cables and HT & EHV turnkey cabling solutions across 80+ countries. With over six decades of rich experience in the industry, we specialise in manufacturing power cables, control & instrumentation cables, railway contact, catenary conductors, signalling & quad cables, telecom cables & special cables for wide range of applications. We continue to diversify our portfolio by adding new products to tap into the growing cables market globally.

During the year, the business achieved an overall revenue growth of 9% on the back of higher sales in HT and Railway cables segment, increased efficiency in manufacturing, procurement and logistics operations and rapid adoption of digital tools for customer engagement, order closure and virtual inspections.

In FY21, the business expanded its product portfolio at the two fully-integrated manufacturing units at Vadodara and Mysuru, both located in India. In line with our focus on developing new products for the Railway segment and strengthen backward integration, the business has augmented the capacities of contact & catenary conductors and signalling cables, in addition to commencing supply of railway cables to external clients. The Company has received approvals for manufacturing Quad cables, Contact wires, Dropper, Jumper & Feeder wires, Earthing conductors and Hybrid cables, and is on track to commercialise them in FY22, along with developing more products for domestic and exports market.

The Cables business' strategic focus on new product development, specially to cater to captive demand, is delivering dual objectives of improving the performance of the business and also helping enhance competitiveness of other business segments such as Railways Overhead electrification, Urban Infra Power supply systems and electrification, Solar, Substation and Underground Cabling. During the year, nearly 25% of the output was utilised by other in-house businesses.

The business continues to improve its portfolio mix of cabling projects, especially in the EHV segment. Focus on building Smart Cities and need for reliable power supply is driving the demand for underground power cabling. The Company offers unparalleled expertise to manage and deliver such projects.

Railway products plant at Cables manufacturing unit, Vadodara, Gujarat

FY 2020-21 Highlights

- Achieved 2X growth in Railway cable orders during the year
- Delivered a robust growth of 42% in EHV cable orders vis-à-vis FY20
- Commissioned additional capacity for Railway contact & catenary conductors and signalling cables
- Commenced supplies of railway products to Indian Railways and other EPC contractors, in addition to captive consumption for our projects
- Exported cables and cabling solutions to 32 countries across the globe
- Virtual Inspection and Customer Experience Centre established for a completely connected Digital ecosystem - 150+ virtual inspections carried out in FY21
- Signed a vital Frame Agreement with an American client for their global requirements of HT & LT Power Cables

PRODUCT PORTFOLIO

POWER CABLES
- Extra High Voltage: 66 kV to 220 kV
- High Voltage: 3.3 kV to 33 kV
- Low Voltage: Up to 1.1 kV

CONTROL AND INSTRUMENTATION CABLES
- Control Cables: 1.1 kV
- Instrumentation Cables: Up to 1.1 kV

RAILWAY CABLES AND CONDUCTORS
- Contact and Catenary Conductors
- Unscreened Railway Signalling Cables
- Quad Cable
- 3.3 kV, 25 kV and 33 kV Cables for Metros
- Dropper, Jumper, Feeder wires
- Earthing conductors (AEC, BEC and ACSR)

TELECOM CABLES
- Optic Fibre Cables
- ADSS Cables
- PIJF Cables

SPECIAL CABLES
- Solar Cables
- CPR Compliant FR Cables
- 110°C FR Cables
- Lead Sheathed LT Power and Instrumentation Cables
- Nylon Sheathed Termite Resistant Cables
- Hybrid Cables
- Mining Cables

OIL & GAS PIPELINES

Building New Avenues of Growth

Image is for representation purpose only

We have launched the Oil & Gas cross-country pipelines business, in line with our vision to strategically expand our business portfolio into adjacencies. Leveraging our multi-sectoral EPC strengths, we are well-positioned to achieve success in this space owing to our extensive expertise of working on linear projects, laying water pipelines as well as underground cables and managing Right of Way (RoW) issues, coupled with our strong project management capabilities.

The Government has made significant budgetary allocations to substantially increase the share of natural gas in the energy basket, from 6% to 15%, to promote green energy, which will require augmentation of the existing oil & gas pipelines network across the country. Additionally, as the demand for crude, petroleum products and gas increases steadily to cater to the country's energy requirements, there is a continuous need to enhance oil & gas pipelines to transport these products from ports to refineries and refineries to consumption centres. These developments present lucrative growth opportunities for our Oil & Gas Pipeline business.

The business has successfully built its people capabilities during the year, including a well-experienced business development as well as execution team. The business continues to build its asset capabilities for the sector and has already bid for cross-country pipeline projects during the year. We are also exploring strategic partnerships with established players to collaborate as EPC partners on large scale projects and secure an entry into the business.

DELIVERING OUTPERFORMANCE

We deliver world-class, end-to-end EPC solutions across industry segments. Our extensive and diverse experience built over seven decades, coupled with our expertise in project management enable us to outperform. We navigate the world's toughest terrains and conditions and leverage cutting-edge technology solutions to deliver projects on or ahead of schedule. We set benchmarks in quality, capability, and speed of execution.

01 500 kV Pluak Daeng Substation, Thailand

- Expansion of 500 kV Pluak Daeng Substation, Thailand, with two 500 kV Bays and a control building
- The project is part of the Eastern Economic Corridor Development program and enables Electricity Generating Authority of Thailand (EGAT) to meet its evacuation commitments with Independent Power Producers (IPP)

Challenges

The project involved design, manufacture, and installation of the largest substation gantries in Thailand, weighing ~270 MT with a height of 50 metres. Complexities related to integration with the existing 500 kV system, multiple shutdowns and COVID-19 pandemic restrictions also presented significant execution challenges. The client had already finalised a scheduled commercial operation date for power evacuation with IPPs, giving us no room for delays.

Outperformance

Given the requirements and strict timelines, the project team demonstrated proficient project management skills and worked in close synergy with multiple stakeholders. Demonstrating execution excellence, the installation of the large gantries was completed on fast-track mode in about four days, by deploying three 50 tonne high-capacity cranes. As multiple shutdowns were required to carry out electrical works, planning of all resources and activities was undertaken to optimise the shutdown time. Significant focus was laid on design standardisation, especially for foundation and cable trench designs, along with implementation of mechanisation initiatives for accelerating project progress. The project team commissioned the project ahead of scheduled commercial operation date, with the highest levels of quality compliance and EHS standards without loss time injury, earning us appreciation from the client.

Project Status

Project commissioned in December 2020; 92 days ahead of schedule

02 400/220/33 kV Air Insulated Substation, Tanzania

- Scope: Construction of 400/220/33 kV Substations at Dodoma and Singida, Tanzania, including installation of four 400 kV Auto transformer bays, four 220 kV Power transformer bays, amongst other critical components and associated civil works
- This is the first 400 kV Substation in Tanzania, consisting of 18 heavy equipment such as 4x125 MVA Power transformers, 4X250 MVA Auto transformers and 10X50 MVAr Shunt Reactors

Challenges

One of the biggest challenges was the transportation and unloading of the heavy equipment, covering 675 km, from Dar es Salaam Port to the project site, including a large aluminium Bus Bar tube spanning 27 metres. Heavy monsoons, especially at Dodoma and work stoppage due to the COVID-19 pandemic further aggravated execution challenges.

Outperformance

The project team undertook meticulous pre-construction planning for smoother execution. Before the 18 heavy units were delivered to the site, the project team ensured that construction of their respective foundations was completed, so that the equipment can be unloaded directly over the plinth to avoid re-handling. The team also ensured that the 27-metre Aluminium Bus Bar tube was brought safely to the site using special support to hold it firmly and avoid sagging at the centre. Despite an abnormally heavy monsoon and pandemic-related hindrances, KEC is progressing well to deliver the project as per the client's priorities and satisfaction. The team has received appreciation from Dr. Medard Kalemani, Minister of Energy, Tanzania on the project's progress and focus on safety.

Project Status

Expected completion in Q2 FY22

03 400 kV Transmission Line, Dubai, UAE

- Design, Supply, Installation, Testing & Commissioning of 400 kV Overhead Transmission Line works

Challenges

The project involved multiple types of towers and modification work to be carried out on existing overhead lines, which were in close proximity to live circuits and underground cables. The transmission line passed through the main city of Dubai and crossed 15 major expressways and national highways, thus increasing execution challenges, especially for stringing works. Stringent procedures to obtain construction NOCs, permission to carry out works over roads & highways and clearance for 35 complex outage works from various authorities was a challenging task, especially during the peak COVID-19 pandemic period.

Outperformance

The entire project team was trained to adapt to the client's working environment and stringent requirements before the commencement of the project. In view of the partial availability of as-built designs, reverse engineering process was adopted post conducting a detailed site survey of existing lines, to finalise requirements for new lines. To avail already scheduled outages and expedite work progress, piling works were carried out with available as-built designs, which helped the team save time and complete piling works in a timely manner. Additionally, a couple of sections were successfully executed by using complex Emergency Restoration System (ERS), which involved several stakeholders from different UAE utilities. Despite all challenges, the team has delivered three sections and has completed 85% of the final section, in line with strict EHS parameters and client satisfaction.

Project Status

Expected completion in Q2 FY22

04 765 kV Fatehgarh - Bhadla Transmission Line, Rajasthan

- Design, Engineering, Manufacturing, Testing, Commissioning of 765 kV D/C Fatehgarh - Bhadla Transmission Line for a private player
- Part of 1,500 MW transmission system for Ultra Mega Solar Park in Fatehgarh Rajasthan

Challenges

The 146 km transmission line was slated to pass through the aviation zone of Phalodi airport. The project team received aviation clearance for restricting tower height through a 10 km stretch, instead of 6 km considered earlier, due to which ~50 towers were exceeding the height limit. Additionally, another section of the line was on the flying route of the endangered Great Indian Bustard bird and an alternate route was finalised, increasing the line length to 146 km from 103 km. These led to significant engineering & design and execution related complexities. Extreme heat wave at project sites, with high temperatures of 50°C and dust storms also affected project progress.

Outperformance

With the increase in route length by 40%, KEC deployed multiple teams on ground to conduct precise surveys and route optimisation on fast-track mode, in close co-ordination with forest officials. The project team leveraged the Company's engineering and design proficiencies and developed innovative truncated towers for the restricted aviation zone, thus avoiding re-routing and saving precious time. Special High Boom Cranes of 75 MT capacity were deployed to erect the heavy towers, which not only fast-tracked execution but also ensured enhanced safety in view of heavy tonnage handling.

Project Status

Project completed in March 2021

05 400 kV Meghnaghat – Madunaghat & 400 kV Matabari – Madunaghat Transmission Lines, Bangladesh

- Design, Supply and Installation of 400 kV DC Meghnaghat - Madunaghat Transmission Line (230 km), and 400 kV DC Matabari - Madunaghat Transmission Line (93 km) for Power Grid Company of Bangladesh Limited (PGCB), financed by Japan International Cooperation Agency (JICA)

Challenges

The Meghnaghat - Madunaghat transmission line crosses two main rivers and one river branch, with the largest crossing spanning over 1.1 km on Meghna river. The line also consists of a 13 km stretch through reserve forests with hilly terrain, in addition to passing through six different districts, agricultural land and marshy areas. This gave rise to severe Right of Way (RoW), accessibility and logistical issues, all of which compounded material transport and execution challenges. Around 50% route of the Matabari - Madunaghat Transmission Line was in low lying areas which stayed water-logged for several months.

Outperformance

With monsoons in Bangladesh stretching from April to October, the project team had a very limited working window to execute the project. The team prepared a detailed plan of action to carry out construction in three different sections simultaneously, with a rigorous focus on progress monitoring in line with the set targets. The project involved engineering and design of 21 new tower designs and 219 pile foundations, specially designed to withstand the weather and site conditions.

Project Status

Expected completion: Matabari - Madunaghat Transmission Line – Q2 FY22, Meghnaghat - Madunaghat Transmission Line – Q2 FY23

06 765/400/220 kV Bhuj-II Gas Insulated Substation, Gujarat

- Supply, construction, testing and commissioning of 765/400/220 kV Bhuj-II Gas Insulated Substation, for PGCIL
- Part of the Green Energy Corridor to provide connectivity to renewable energy projects at Bhuj, being developed under the TBCB route

Challenges

This substation is a critical component of the overall transmission system for evacuating power from wind farms in Bhuj. The biggest challenge for the project was the strict completion timeline of 12 months set by the client, which is very stringent for a GIS project of this scale. COVID-19 lockdown and the subsequent restrictions on movement of the three critical resources - manpower, material and machinery slowed down the project for around five months. Besides this, very heavy rains in the Bhuj and Kachchh areas during August - September 2020 also hampered overall project progress.

Outperformance

To overcome the scarcity of manpower, locally available labour was trained on the job by engaging them with skilled/trained teams. Further, dependency on manpower was reduced with the help of multiple mechanisation techniques such as installation of RMC plant, boom placer for pouring concrete and TMT cutting and bending machine. These initiatives enhanced productivity and quality of work with reduced manpower and accelerated execution.

Project Status

Expected completion in Q3 FY22

07 220/132 kV New Khimti Gas Insulated Substation, Nepal

- Design, Supply, Erection, Testing and Commissioning of 220/132 kV New Khimti Gas Insulated Substation on turnkey basis

Challenges

The substation site is located at the remote location, approximately 125 km from Kathmandu, in a hilly terrain with an elevation difference of 28m. The project team faced severe impediments to transport heavy electrical equipment such as power transformers and 220 kV GIS modules from Nepal border to the project site owing to small, incapable bridges and sharp turns at various points. Soil resistivity at the site was very low.

Outperformance

Due to the tough geographical topography and varied elevation, an innovative design of constructing the substation across four different terraces was finalised. This involved earthwork of excavating 48,000 CuM and filling 42,000 CuM for construction of terrace formation. Special techniques were adopted to improve soil resistivity and meet the earthing requirements. Additionally, roads and bridges leading up to the project site were strengthened and reinforced, and bypass arrangement was also made to cross at six bridges.

Project Status

Expected completion in Q2 FY22

08 Overhead Electrification from New Bongaigaon to Guwahati, Assam

- 25 kV Overhead Electrification works for 164 RKM New Bongaigaon - Guwahati project, including traction substation, general electrification, civil engineering works (track works, service buildings, quarters) and signalling and telecommunication works, in Assam, for Rail Vikas Nigam Limited (RVNL)
- The project marked the launch of the first electric train operation in the state of Assam

Challenges

Being the only railway line to connect North-Eastern states with the rest of the country, there was frequent movement of mainline passenger and goods trains, which led to disruption in work schedule and interrupted project execution. The project also involved challenges pertaining to the electrification of Saraighat Bridge, one of India's largest rail cum road bridge over the Brahmaputra river, for which the team adopted innovative execution methodology. The poor soil pressure near existing railway tracks increased difficulties for OHE foundation work activities. Additionally, adverse climatic conditions due to heavy rainfall and flooding reduced the window period for full-scale execution to only six months in a year along with creating site accessibility issues.

Outperformance

Given the multiple hindrances, it was not feasible to implement some of the existing work methodologies, especially for foundation works and electrification on Saraighat Bridge. New designs were proposed, incorporating RDSO specifications, to improve execution productivity and efficiency. These included pile foundations for OHE mast & buildings, in-situ glued joint for tracks, special OHE wiring arrangement for bridges, and boring & pipe laying method for S&T and General Electric works. The project team's fast-paced execution with a particular focus on quality and EHS parameters ensured commissioning of 151 RKM in March 2021, marking the operationalisation of Northeast Frontier Railways' first-ever Overhead Electrification project.

Project Status

Expected completion in Q3 FY22

09 Construction of new railway line between Kendrapara to Paradeep, Odisha

- Track laying, overhead electrification, signalling & telecommunication works and other allied works from Kendrapara to Paradeep (46 TKM), part of the new railway line from Haridaspur to Paradeep, in Odisha, for RVNL
- This is the first ever railway line in Kendrapara district, connecting Paradeep Port to the Kharagpur - Bhubaneswar mainline, thus enhancing last-mile port connectivity.

Challenges

Most sections of the project involved a high embankment with an average height of 10 metres, which caused significant hurdles in the movement of railway structures, rails and sleepers, in addition to execution challenges. Mast erection on the one km bridge over Mahanadi river also posed difficulties due to the bridge's narrow width. Being on the coastal belt, the project team faced three cyclones during the execution period, hampering progress.

Outperformance

Comprehensive project management practices helped the team overcome the problems posed by the terrain and climatic conditions. To keep the project on course despite the impediments and achieve on-time completion, the project team had to undertake several challenging activities during the monsoons, which included trenching and cable laying in three block sections spanning 28 km. The team fast-tracked track linking activities and completed the longest loop line works of 1,760 m in a single day for East Coast Railways. The team also accelerated the electrification works on the Mahanadi river bridge, without compromising on safety and quality. In the midst of the COVID-19 lockdown, KEC ensured safety & well-being of over 450 workers by providing food, accommodation, masks and other basic amenities. This helped the project team to kickstart work immediately post lockdown, which went a long way in helping us complete the project within scheduled timelines.

Project Status

Project completed in July 2020

10 EPC 05 Railway Electrification Project

- Railway electrification of seven sections, viz. Dharmavaram - Pakala, Nandyal - Yerraguntla, Lingampet Jagityal - Nizamabad, Gadwal - Raichur, Pimpalkutti - Mudkhed & Parbhani - Parlivaijnath, Purna - Akola and Parlivaijnath - Vikarabad, of EPC 05 project, for Central Organisation for Railway Electrification (CORE)
- The project was one of the largest orders ever awarded by the Indian Railways in FY20

Challenges

The 1,218 RKM project comprises of seven sections spread across four different states - Karnataka, Maharashtra, Andhra Pradesh and Telangana. The vast difference in terrain from one region to another, along with high embankment areas in some of the sections created significant hurdles in transportation of materials and equipment to these locations. Additionally, during monsoons, weak approach roads and water-logging issues led to severe execution challenges. Working adjacent to functional railway lines and ensuring minimum disruption of operations with utmost safety was of paramount importance to the team.

Outperformance

The project commenced in December 2019 and was undertaken with elaborate planning to ensure completion well ahead of schedule, while also maintaining the best EHS and quality standards. To meet the strict timelines of this extensive and one-of-its-kind project, multiple teams were deployed for various sections to carry out simultaneous works. Strict monitoring of progress ensured that the project stays on track in all circumstances. Several breakthrough mechanisation ideas were also deployed to expedite progress and improve quality of execution. These include novel wiring methodology to ramp up shots of wiring per day, use of special equipment to transport material to project sites with high embankment areas and ensure uninterrupted construction, etc. Excellent coordination between Design & Engineering, Procurement and Execution teams enabled us to achieve CRS targets set by Railway Board.

Project Status

Expected completion in Q4 FY22

11 Delhi-Meerut Regional Rapid Transit System (RRTS)

- Construction of elevated viaduct from Sahibabad RRTS Station to Ghaziabad RRTS Station, including all special spans and the two aforementioned stations

Challenges

The project involves the construction of 8.5 km viaduct including two special spans, one over a Railway line and other over Red Line of Delhi Metro, alongside complex locations such as the Hindon river and crossing over & under multiple flyovers. The mammoth size of Ghaziabad station, centred right around intersections of multiple highways, flyover and the Delhi Metro Red Line further compounds execution challenges. Additionally, the hybrid construction sequence of both stations, comprising of precast and cast-in-situ technologies, demands a lot of dedicated heavy machinery as well as highly skilled labour. The project progress was significantly hampered due to the NGT construction ban of almost two and a half months, followed by COVID-19 restrictions, complete lockdown from March 2020 to May 2020 and the migrant labour crisis, leading to non-availability of skilled labour, resulting in significant productivity losses. These impediments also affected movement of crucial materials to project sites and resulted in frequent work stoppages. Multiple work sequence changes, in both Sahibabad and Ghaziabad stations, also led to slow increase in available workfronts.

Outperformance

Despite the hurdles, the team has made considerable progress during the year, and has completed 55% of the project since its inception in October 2019. To recoup the lost time, multiple steps have been taken, some of which are mentioned below:

- Took special approvals for labour movement and made arrangements for transit facilities, alongside the development of welfare facilities within labour colony, such as quarantine and COVID-19 isolation centres
- Utilisation of lockdown period for fast-tracking design and method statements
- Doubled pre-cast production by adding new capacity and enhancing utilisation of existing capacity
- Efficient seasonal variation planning anticipating the impact of cold weather, rains, extreme heat, and accordingly deployed resources where maximum productivity could be achieved
- Deployed additional resources, cranes, gantries, shutters and manpower, and opened multiple front

Project Status

Expected completion in Q2 FY23

12 Construction of 3rd railway line between Nimpura – Chakulia, West-Bengal & Jharkhand

- Track laying, roadbed, bridges, railway electrification and general electrification, signalling and telecommunication works from Nimpura in West Bengal to Chakulia in Jharkhand, for RVNL

Challenges

The project involved challenging civil works such as track laying on high embankment areas, strengthening a canal bridge to make it leak-proof, building bridges during peak monsoons, and completion of track works and erection of structures amidst short rail traffic blocks. These hurdles were accentuated by the prevailing pandemic scenario, which hampered procurement & transportation of raw materials and availability of workforce due to the lockdown.

Outperformance

The project team implemented unique methodologies such as sheet piling for track laying on embankments where land availability for excavation was limited. Sophisticated mechanisation tools including high capacity cranes for FOB Girder erection, boom placer for concreting work, concrete pumps for sand filling and use of precast segments for minor bridges instead of in-situ casting further helped improve productivity and expedite project progress with reduced manpower. The team's exemplary engineering and project management proficiencies ensured the successful commissioning of the 38 TKM Kalaikunda - Jhargram priority section 50 days before contractual completion period. This section was inaugurated by Shri Narendra Modi, Hon'ble Prime Minister of India in Feb 2021.

Project Status

Expected completion in Q3 FY22

13 Greenfield Cement Manufacturing plant at Marwar Mundwa, Rajasthan

- Civil works for construction of 3.1 MTPA raw materials grinding unit, clinker production unit & storage silos, and mechanical erection works for 1.8 MTPA clinker grinding unit, amongst other associated structures

Challenges

The integrated cement plant presented significant challenges for the team owing to the towering critical structures such as the 126+ metre preheater and 82+ metre blending silo. This required strict adherence to stringent safety regulations while maintaining a faster construction cycle. The COVID-19 lockdown announced in March 2020 impacted the project's progress as a sizeable number of our workers migrated to their hometowns. Mobilising additional labour in a tough environment thus became a massive challenge for the project team. Additionally, adverse climatic conditions including dust storms and extreme temperatures ranging from 50°C in summer to 1°C in winters, compounded the execution challenges.

Outperformance

For the construction of preheater, blending silo and other tall structures at a swift pace, the project team deployed two high-performance tower cranes to carry out simultaneous works and maintain the required cycle time. Further, specialised column boards for the eight preheater columns were used to accelerate execution of column lifts and in turn, reduce the overall construction time. Since a significant portion of the execution involved working at height, we provided elaborate vertical and horizontal safety solutions with fall protection systems at all major structures to achieve the highest safety and quality standards. As a testament to our focus on ensuring the safety of our workers, we successfully achieved over four million safe person-hours with zero incidents, earning us appreciation from the client. Recognising the superior quality of execution, the client expanded the scope of the contract and awarded us new orders.

Project Status

Expected completion in Q2 FY22

14 Elevated Metro Rail Project between Petta and Thripunithura, Kochi, Kerala

- Construction of elevated viaduct from Petta to Thripunithura, three elevated stations and one two-lane river over bridge across Panamkutty River, as part of Phase 1 Extension of Kochi Metro Rail Project

Challenges

The project route passes through densely populated residential areas and narrow roads, with the presence of a significant number of charted and uncharted utilities such as water pipelines, poles and power cables, etc., along the route. Since construction activities were being carried out close to existing buildings, the project team also faced soil stabilisation issues at several locations. Mobilisation of labour during the pandemic and maintaining the required manpower strength, and heavy rainfall along with a high water table posed additional execution challenges for the team.

Outperformance

The project team took up the diversion of utilities on the route on a priority basis, in close coordination with local utility officials, to expedite excavation and piling related activities. The team also undertook widening of roads for efficient project execution and to maintain smooth traffic flow adjacent to construction areas. Deploying effective soil stabilisation techniques helped improve the weight-bearing capability of the soil and ensure the safety of buildings and other structures around the construction route. Adoption of innovative construction techniques and a constant focus on accelerated project execution has enabled us to deliver the Panamkutty River Over Bridge six months ahead of schedule, which was widely appreciated by the client and local citizens alike. The project is being executed with the highest safety and quality standards and the team has achieved over two million safe person-hours so far, with zero reportable incidents. We have handed over a 500m viaduct portion to the client within the schedule, for track laying works.

Project Status

Expected completion in Q4 FY22

15 High-rise residential towers for a renowned real estate developer, Pune, Maharashtra

- Core and shell work for six high-rise residential and two multilevel car parking buildings with a total footprint of 1.8 million sq. ft., for a prestigious real estate company

Challenges

The project commenced during the peak pandemic period amidst partial lockdown conditions, which hampered mobilisation of labour and raw materials. Adherence to the new set of COVID-19 rules post lockdown relaxation, which included labour testing and quarantine protocols, restricted working hours and strict social distancing norms impacted the project's progress. Additionally, adverse climatic conditions due to 2-3 months of heavy rainfall further affected construction activities.

Outperformance

The team was successful in mobilising and retaining the required labour strength by arranging special transportation for workmen from their hometowns to project site and creating a positive and safe working environment for them. Further, regular RT-PCR tests, providing psychological counselling, medicines and other essentials, and setting up quarantine facilities, helped build greater confidence amongst the workforce. Deployment of Aluminium Formwork, Rebar Tying Machines, and advanced Project Management solutions helped us speed up overall execution efficiently and achieve a floor slab cycle time in 7 days, in addition to delivering superior execution with high-quality finishing. Our firm focus on implementing best practices in EHS enabled the team to deliver over two million safe person-hours and win acclaimed awards such as the CIDC Vishwakarma Award and Apex India Occupational Health & Safety Award 2020.

Project Status

Expected completion in Q2 FY22

16 20 MW Solar Carport Project, Haryana

- Design, Engineering, Manufacturing, Supply, Construction and Commissioning of 20 MW Carport Solar PV Project for a reputed automobile manufacturer
- This is one of the largest solar carport projects in Asia

Challenges

The project is located within an operational automobile manufacturing unit having sensitive security zones, and required stringent compliance for movement of manpower, machinery, and material. The raised lattice structure with a larger span called for the highest levels of execution accuracy for civil and erection works, to get the alignment right. In addition, integration of other Balance of System components with the project also posed several challenges for the team.

Outperformance

The project team adopted a modular approach to seamlessly scale-up project management and execution capabilities. Rigorous planning, monitoring & control helped the team achieve a prompt start-up and higher execution efficiency. In order to ensure optimum utilisation of available car parking space, large span lattice structure of 10m x 15m size were utilised, as against the conventional 6m x 10m. Adoption of technological and mechanisation interventions such as precast structures and fully-automated robotic solar panel cleaning system helped expedite execution and achieve high levels of productivity.

Project Status

13.7 MW of the project is already operational. Expected completion of balance portion in Q2 FY22

TOWARDS A GREENER FUTURE

Our portfolio of businesses promote environment sustainability by efficient usage of natural resources.

Transmission & Distribution

- Effective way of transporting energy with maximum efficiency and minimum carbon footprint
- Focus on Green Energy Corridor (GEC) projects to ensure transmission of clean and reliable renewable energy

Railways

- More efficient than road in terms of energy efficiency and land utilisation
- Electrification of Indian Railways to preserve fossil fuels and curb pollution
- Optimisation of resources through innovative engineering solutions

Civil

- Providing clean water by building cross-country water pipelines
- Building energy-efficient factories and residential complexes
- Constructing industrial plants to convert municipal waste to energy

Urban Infrastructure

- Most effective way of urban commuting; Reduces consumption of fuel and pollution
- Use of precast/prefab construction techniques, which are environmentally friendly and generate less carbon footprint

Solar

- Construction of large solar-based power generation plants, which have one of the lowest lifecycle emissions
- Innovative industrial solar solutions leading to reduced dependency on fossil fuels

Smart Infrastructure

- Developing Smart Cities to encourage efficient use of resources
- Solid waste management solutions for a Swachh Bharat mission
- Environment monitoring and city surveillance solutions to improve quality of life of citizens

Oil & Gas Pipelines

- Energy-efficient and environment-friendly mode for transportation of gas, crude oil, and petroleum products
- Promoting utilisation of gas-based clean energy

Cables

- Enhancing energy efficiency through reduction in T&D losses
- Improving land utilisation through Underground Cabling solutions
- Developing innovative cable designs such as Hybrid cables to minimise consumption of raw materials

BRIEF DESCRIPTION OF THE SIX IR CAPITALS

KECs success depends upon various capitals which form the basic constituents for all our businesses. The business activities transform these capitals to create value for all our stakeholders which are reflected in the form of our business outputs and more broader outcomes.

Financial Capital

Financial capital refers to the funds available to the Company for utilisation in asset creation and operations, and funds generated by its operations. These include debt, equity, revenue, internal accruals, and dividend, among others. The financial capital of a company manifests itself into other capitals through creation of other forms of tangible and intangible value. Our strategy to remain asset-light helps us in effectively deploying our financial capital for sustained, long-term value creation for all our stakeholders.

Manufactured Capital

Manufactured capital pertains to the manufacturing plants and testing stations, machinery and equipment at the manufacturing locations and project sites, stores, and facilities and additionally, all the physical assets that enable us to manufacture high quality products and deliver EPC projects ahead of time. These assets are distributed across geographies based on the markets and customers we serve.

Intellectual Capital

Intellectual capital covers our entire knowledge base, including deep engineering and designing capabilities, well-defined systems and processes, project management capabilities, robust IT infrastructure and achievements in innovation and digitalisation. The intellectual capital plays a pivotal role in cementing our leadership position in the industry and gives us a competitive advantage for long-term growth.

Human Capital

Our human capital comprises of the collective skills, capabilities, experience, diversity, motivation, and happiness of our employees and workforce. The RPG Group's vision to 'Unleash Talent' reflects our commitment of empowering our people and provide an enabling environment to unleash their entrepreneurial spirit and realise full potential.

Social & Relationship Capital

Social & relationship capital refers to our trust-based, mutually beneficial relationships with key stakeholders such as investors, customers, vendors, contractors, regulators, and the society at large. The RPG Group's vision to 'Touch Lives' is a guiding light for us to positively impact the lives of our stakeholders and the communities we operate in, thereby making a meaningful difference.

Natural Capital

We respect the health of our environment and are committed to consuming natural resources in an efficient way to be able to preserve it for the future generations. The operations at our manufacturing plants and project sites have implications on the natural capital and thus we try to minimise and mitigate this impact by optimally utilising natural resources in our operations. Moreover, the businesses we nurture also promote environment sustainability and efficient usage of natural resources.

OUR BUSINESS MODEL: ENDURING VALUE THROUGH SUSTAINABLE OUTPERFORMANCE

INPUT CAPITALS FY21

Financial Capital
- Total equity (INR Cr): **3,360**
- Capital expenditure (INR Cr): **180**
- Net Debt (INR Cr): **1,679**

Manufactured Capital
- No. of Tower & Cables Manufacturing facilities (India, UAE, Brazil, Mexico): **8**
- Global manufacturing capacity (Tower, Poles, Hardware, Structures for Railways & Solar) (MTPA): **4,22,200**
- No. of project sites: **242**
- Safe man hours: **1,82,12,847**

Intellectual Capital
- Expenditure on R&D (INR Cr): **23.9**
- New Product Development (Cables): **7**
- Engineering/Design team: **279**

Human Capital
- Number of employees: **9,258**
- Temporary/Contractual employees: **27,389**
- Employee Benefit expense (INR Cr): **1,118**
- Average training hours (per employee per year): **33.44**
- EHS trainings (man hours per employee per year): **24.7**
- Diversity (Women employees and People With Disability): **466**

Natural Capital
- Raw material consumed (INR Cr): **5,697**
- Renewable energy generation (kWh): **42,74,741**
- Energy consumed (Mwh): **1,15,193**
- Water consumed (kL): **2,74,525**

Social & Relationship Capital
- CSR spend (INR Cr): **7.5**
- Employee Volunteers for CSR: **182**
- Environment-related spend (INR Cr): **6.0**
- Vendor base: **31,969**
- Customer base: **5,080**
- MSME Suppliers: **2,000**

BUSINESS PORTFOLIO

OUR VISION

Unleash Talent
Enabling environment for people to unleash their entrepreneurial spirit and realise their full potential

Touch Lives
To understand, care and make a meaningful difference to customers, employees, society and all stakeholders

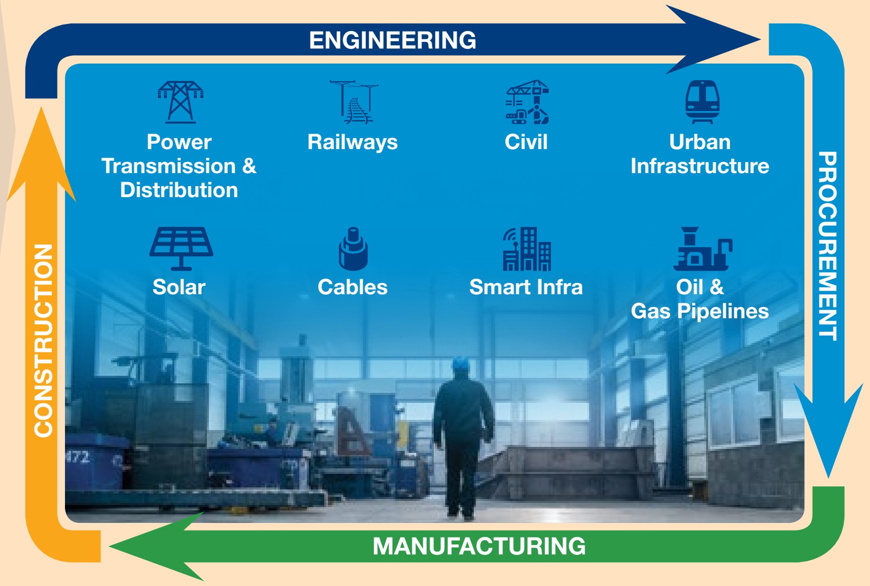
Outperform
Sustained and clear outperformance relative to all our competitors and industry on financial and non-financial metrics that matter

:)
To have fun by creating high-energy environment with a keen sense of belonging and smiling faces everywhere

OUR VALUES

Integrity | Respect | Openness | Courage | Passion

BUSINESS ACTIVITIES



Strategic Pillars
- De-risking & Diversification
- Asset-Light
- Variable Cost Model
- Robust Execution Capabilities
- Capital Efficiency
- Sustainable Business Operations

External Factors
- Pandemic risk
- Execution challenges
- Commodity price variations and currency fluctuations
- Geopolitical risks
- Demand risk
- Cyber security
- Succession Planning risk

OUTPUT CAPITALS FY21

Financial Capital
- Revenue (INR Cr): **13,114**
- Order Book (INR Cr): **19,109**
- PAT (INR Cr): **553**
- Interest (% to Revenue): **2.0%**

Outcome: Financial & Non-financial Outperformance

Manufactured Capital
- Total Galvanised Steel Structures (Towers, Railway, Solar and Poles) (MT): **2,52,808**
- Cables manufactured (km): **60,150**
- Transmission Lines executed (km): **2,443**
- Substation Bays built: **141**
- Percentage of India's Railway Tracks electrified: **22**
- Railway Tracks Commissioned (RKM): **171**

Outcome: Value creation for customers through delivery of world-class quality products and services, ahead of time

Intellectual Capital
- Revenue from new/emerging businesses (Railways, Civil, Solar, Smart Infra) (INR Cr): **4,672**
- Revenue from New Products (INR Cr): **186**
- Savings from Design Improvements (INR Cr): **36.6**

Outcome: Digitalisation and business excellence on the back of consistent innovations and technological advancements

Human Capital
- Revenue per employee (INR Cr): **1.4**
- Happiness Quotient: **80%**
- Staff with tenure more than 10 years: **1,380**
- Lost Time Injury - Frequency Rate: **0.68**
- Occupational Disease - Frequency Rate: **0**

Outcome: Diverse and inclusive workplace that encourages overall growth, development and well being of employees

Natural Capital
- Reduction in steel consumption per km of EHV Transmission line (kg/km): **1,230**
- GHG emissions intensity (Tonnes Carbon emission in total per annum): **37,720**
- Energy saved (kWh): **5,86,918**
- Water saved (kL): **39,218**
- Water reused (kL): **27,090**

Outcome: Preservation and enhancement of natural capital

Social & Relationship Capital
- Total number of CSR beneficiaries: **2,39,510**
- COVID-19 Response beneficiaries: **1,75,813**
- Children educated: **60,000**
- Training for employability beneficiaries: **2,247**
- Customer Satisfaction Rating (%): **83.5**

Outcome: Socioeconomic development of local communities

STAKEHOLDER ENGAGEMENT AND MATERIALITY

KEC's approach towards sustainability

We believe that for a business to be truly sustainable in the long run, it is imperative to create value for all its stakeholders. Value creation is not just limited to the one created by tangible assets as highlighted in the financial statements, but also there is equal emphasis on the importance of intangible value that businesses create for a much broader set of stakeholders, including society and the natural environment.

Value creation has been one of the core ethos of the Company, driving enhanced integration of Environmental, Social and Governance (ESG) factors in its business practices. KEC views sustainable development as an opportunity, which is enabling it to conduct its business operations in a newer, sustainable, and responsible manner. This not only helps us in creating financial value, but also create positive outcomes for our internal and external stakeholders.

We are also working on developing a strategic sustainability roadmap that will lay down our sustainability aspirations and action plan towards a sustainable business transformation of our operations. Through this roadmap, we aim to collaborate and work with our value chain partners (vendors and customers) to enhance sustainability actions across the value chain.

Stakeholder Engagement

We place great emphasis on being receptive to the expectations of our stakeholders, which allows us to continually recalibrate our approach on the most pertinent issues identified by our internal and external stakeholders. The inputs and insights received from these engagements serve as an opportunity to address emerging risks and leverage opportunities for holistic value creation, thereby ensuring continuity and competitiveness.

This year, the Company undertook an extensive stakeholder engagement and materiality analysis exercise. As a part of the engagement, focussed consultations were conducted with the following stakeholder groups, that led to the identification and prioritisation of material topics for the Company:

- EMPLOYEES
- VENDORS
- CUSTOMERS
- INVESTORS & ANALYSTS
- LOCAL COMMUNITY AND NGOS & CSR PARTNERS
- MEDIA

We engage with a wide spectrum of stakeholders on a continual basis through a combination of several predetermined, structured, and need-based engagement mechanisms. A summary of the engagement mechanisms is provided below:

Stakeholder Groups	Engagement Objectives	Engagement Mechanisms and Frequency
Employees	• Understand their career ambitions, job satisfaction parameters, support career growth, employee well-being, training, and development • Share the Company's vision, short-term and long-term goals, workplace needs and expectations	• Structured appraisals, career path guidance, training programmes, employee rewards, recognition, and development programmes • Townhall meetings with leadership
Vendors	• Share mutual expectations and needs about quality, cost and timely delivery, growth plans • Share best practices	• Periodic one-to-one interactions • Periodic engagement meets
Customers	• Develop a sustained relationship • Anticipate short and long-term expectations	• Regular one-to-one interactions with key customers • Interactions at customer touchpoints • Satisfaction surveys and/or feedback • Trade fairs & exhibitions
Investors & Analysts	• Understand concerns and expectations, create higher shared value	• Regular dissemination of financial & non-financial performance through published reports and media interactions • Investor meets and calls
Local Community and NGOs & CSR partners	• Develop and support local communities and economies	• Structured CSR initiatives • Focussed group discussions with the community
Media	• Communicate the Company's vision, brand and developments to all stakeholders for further transparency	• Regular dissemination of Press Releases and media interactions by senior management

Materiality Assessment

As a rapidly progressing organisation, the material issues that surround KEC are highly dynamic, which requires the Company to constantly monitor and assess them in order to ensure its continued success. For KEC, materiality assessment is an approach that helps the Company in identifying significant economic, environmental, and social issues. The assessment helps us to better understand the sustainability landscape, which enables the Company to focus and act on the issues that are in the highest order of priority for the business. During the year, KEC undertook a detailed exercise involving its key stakeholders to identify and prioritise its material issues and strengthen its focus areas for sustainability initiatives.

Materiality Assessment Process

1 Identification of universe of material topics

An in-depth study was conducted to understand the megatrends, sustainability priorities for the sectors applicable to KEC's business verticals and industry best practices to identify the universe of applicable and/or potential material issues.

2 Mapping of issues with business objectives and risks

Through consultations with the Company's leadership, every issue was assessed for its contribution to the achievement of each of the Company's strategic business objectives and the mitigation of key business risks.

3 Stakeholder interactions

Focussed engagement with the Company's Leadership, Employees, Vendors, Customers, Investors & Analysts, NGOs & CSR partners and Media representatives.

4 Identification and prioritisation of issues

After gathering all inputs from stakeholders, analysis on occurrence of identified issues and business alignment, the material issues were identified and prioritised.

132 kV Gas Insulated Substation at Dubai, UAE

The outcome of this materiality exercise is presented below:

Identified Material Issues	Corresponding Capital(s)	Stakeholders Impacted
Human Capital Management	Human Capital	Employees
Diversity & Inclusion	Human Capital	Employees
Occupational Health & Safety	Human Capital	Employees
Quality and Service Delivery	Manufactured Capital	Customers
Customer Centricity	Social and Relationship Capital	Employees, Customers
Local Community Development	Social and Relationship Capital	Local Community and NGOs & CSR partners
Financial Performance	Financial Capital	Investors & Analysts, Employees
Digitalisation and Innovation	Intellectual Capital	Employees, Vendors, Customers
Circularity	Natural Capital	Employees, Local Community and NGOs & CSR partners
Water-Positive Approach	Natural Capital	Employees, Local Community and NGOs & CSR partners
Decarbonisation	Natural Capital	Employees, Local Community and NGOs & CSR partners
Sustainable Procurement	Social and Relationship Capital	Vendors
Corporate Governance	Social and Relationship Capital	All

RISKS AND OPPORTUNITIES

KEC operates in a highly volatile and complex macro environment that requires the Company to constantly identify, assess and monitor the risks that surround its business and develop ways to respond to these challenges to ensure long-term success of the organisation. To prepare the Company against the emerging uncertainties, KEC has a robust risk management framework that facilitates active monitoring of the business activities at various levels across the Company and reviews its systems periodically to ensure they are in line with the current internal and external environments. Through a dedicated risk management structure, the Company endeavours to create lasting value for all its stakeholders while remaining resilient to unprecedented events.

Throughout last year, the Company witnessed the risk arising out of the global pandemic and has adopted various measures to minimise the impact on the stakeholders as well as the business. Health and safety of the employees remain a key priority for us in times of the pandemic with Work from Home (WFH) policy institutionalised for all corporate offices and standard operating procedures set in place for employees working from our various project sites. Uncertainty about the duration of the pandemic creates an environment with lesser clarity on the mobility which poses risk on the achievement of the Company's business objectives.

For more details on Risk Management, please refer 'Management Discussion & Analysis', page numbers 89 to 109 of this report.

KEC has identified the following issues as the enterprise-level risks associated with the Company:

Identified Risk	Capitals Impacted
Pandemic Risk	Human Capital; Social and Relationship Capital; Financial Capital
Execution challenges	Manufactured Capital; Intellectual Capital; Financial Capital; Natural Capital; Social and Relationship Capital
Commodity price variations and currency fluctuations	Financial Capital
Geopolitical risks	Social and Relationship Capital; Financial Capital
Demand risk	Social and Relationship Capital; Manufactured Capital; Financial Capital
Cyber Security	Financial Capital; Intellectual Capital
Succession Planning risk	Human Capital; Financial Capital

SUSTAINABILITY ROADMAP

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 in delivering outperformance. Taking our commitment to the next level, we have embarked upon a sustainability journey which is in harmony with the evolving business landscape in India as well as our other global operations. This sustainability journey is guiding us to strengthen our commitment on focus areas that are timely and relevant for our operations as well as for our stakeholder groups.

We have set measurable targets after extensive consultations with all our stakeholder groups. A detailed materiality assessment and benchmarking exercise has been conducted before narrowing down to our sustainability focus areas.

Happiness Quotient

Target:
Increase Happiness Quotient to 85% by FY26

Initiatives:
- Nurturing a workplace that encourages overall growth, development and well-being of employees and contractual workforce

Diversity & Inclusion

Target:
Increase in diversity by 25% by FY26

Initiatives:
- Foster an inclusive workplace which ensures fairness and equal opportunity for everyone at KEC

Occupational Health & Safety

Target:
Work towards the goal of achieving Zero accidents

Initiatives:
- Improve near miss reporting & its compliance
- Increase EHS training man hours
- Enhance usage of digital platform

Corporate Social Responsibility

Target:
Reach 2 lakh CSR beneficiaries by FY26

Initiatives:
- Contribute to the socio-economic development of the communities where we operate through creation of employment opportunities

Circularity

Target:
Zero waste to landfill by FY26 for manufacturing plants

Initiatives:
- Treatment/disposal mechanism for each waste stream
- Implement waste reduction campaigns

Water Positive Approach

Target:
Reduce water consumption intensity in manufacturing plants by 20% by FY26

Initiatives:
- Implement water conservation initiatives

Energy Consumption

Target:
Reduce energy consumption intensity of manufacturing plants by 15% by FY26

Initiatives:
- Energy conservation projects and campaigns

Carbon Emission

Target:
Reduce Greenhouse Gas (GHG) emissions intensity of manufacturing plants by 20% by FY26

Initiatives:
- Identify opportunities for renewable energy (e.g. rooftop solar, power purchase agreements etc.)

Sustainable Procurement

Target:
100% of key suppliers to be assessed under ESG criteria by FY23

Initiatives:
- Formulate a Sustainable Procurement Policy
- Formulate the Code of Conduct (CoC) based on sustainability / ESG criteria

FINANCIAL CAPITAL

Our focus on capital efficiency, diversification across businesses, asset-light strategy and robust execution capabilities has helped us deliver outperformance. Our endeavour has been to leverage our financial capital in the most optimal manner to maximise returns for our stakeholders. Our order book is a reflection of our diversification strategy where non-T&D business has increased from 13% in 2016 to 42% as on March 31, 2021, majorly contributed by growth in Railways and Civil businesses.

Focussed approach on the utilisation of financial resources, constant monitoring of cash flows and working capital, ensuring on-time or ahead of time delivery and tapping avenues for low-cost borrowing have helped us generate long-term sustainable economic growth. We have delivered a remarkable CAGR of ~30% in Profit After Tax (PAT) over the last five years. Moreover, with concerted efforts, we have successfully brought down both interest costs as well as debt levels for the year. The net debt as on March 31, 2021 stands at ₹ 1,679 crore, a significant reduction of ₹ 537 crore vis-à-vis last year. The interest cost at 2.0% of revenue has seen a significant improvement with a reduction of 60 bps vis-à-vis last year and is at its lowest in the last five years. Additionally, there is a reduction of 15% in absolute terms, notwithstanding a revenue increase of 10%. We continue to optimise the domestic and foreign borrowing mix to reduce cost of capital.

Our conservative capital structure enables us to minimise risk in an uncertain business environment. We monitor our capital using gearing ratio, which is net debt divided by total equity. The consistent growth in profits and focus on managing our cash flows is reflected in vast improvement in this ratio, which at 0.5 times is the lowest in the last five years.

Key initiatives undertaken during the year to optimise working capital and cash flows include:

- Judicious monitoring of cash flows through multi-layered review mechanism
- Enhancing credit period with vendors
- Expediting commercial closure of projects
- Reducing the billing cycle time
- Releasing retention receivables against bank guarantees

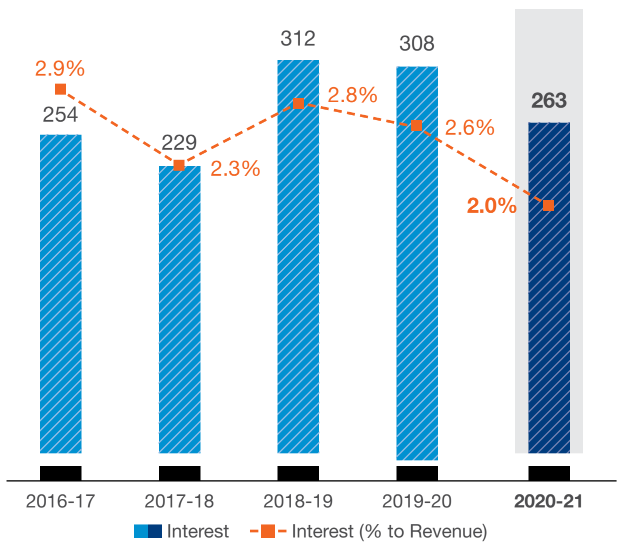
Being a global company, we have exposure to movement in foreign currencies and commodities, which unless hedged prudently, could cause volatility in financials. We have a well-defined hedging policy, approved by Board of Directors of the Company, that minimises the risk to commodity price and currency fluctuations.

Despite challenges in the operating environment in FY21, we continued rewarding our shareholders. The Board of Directors have recommended a dividend of ₹ 4/- per equity share i.e. 200% of the face value of ₹ 2/- each.

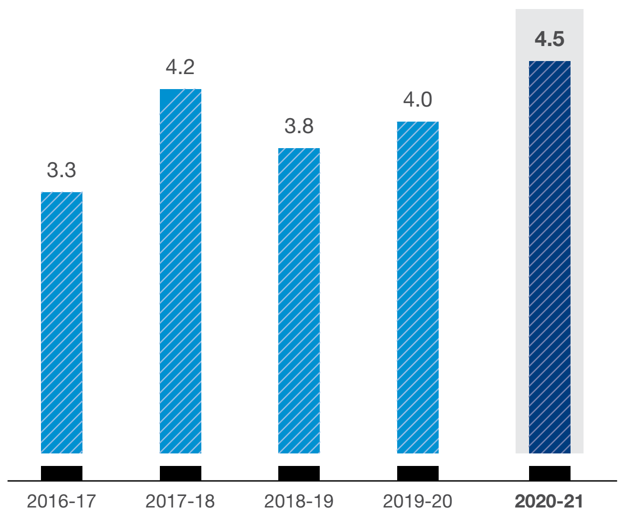
We have embraced digitalisation as a core pivot to thrive in the new normal. We continue to leverage cutting edge technologies and digital platforms to enhance process efficiency and productivity. We have adopted robotic process automation (RPA) tools in finance and accounting processes to significantly improve turnaround time and faster response. We have leveraged blockchain based platform to streamline crucial trade transactions and reduce the process cycle time considerably. We have implemented TReDS, a digital platform, for timely payment to MSME vendors through online discounting. We are also in process of putting digital signature-based document processing and adopt paperless working.

Maintaining a lean balance sheet, prudent financial policies, focussed EPC approach and a well-diversified business model has enabled us to navigate the current environment and gives us the confidence to deliver sustainable growth.

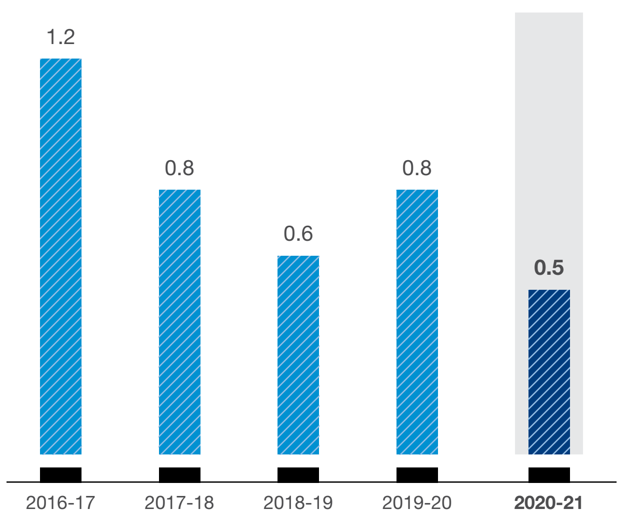
Interest (₹ in crore) & Interest (% to Revenue)



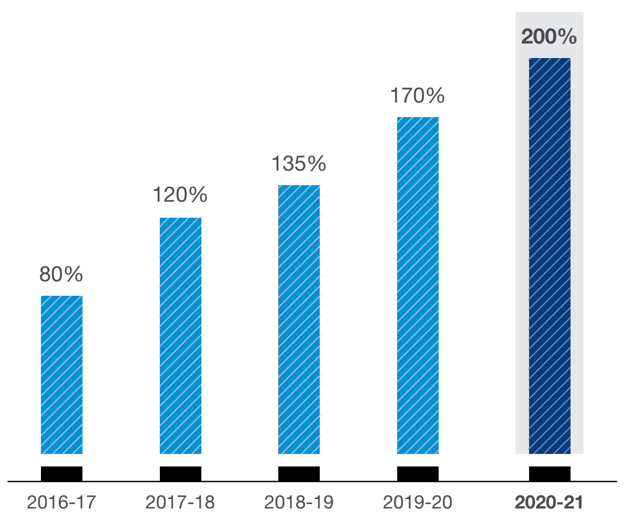
Interest Service Coverage Ratio



Net Debt to Equity



Dividend History on face value of ₹ 2/- per equity share



Stakeholders impacted
Employees
Investors & Analysts

Material issues addressed
Financial Performance

Key risks addressed
Pandemic risk
Execution challenges
Commodity price variations and currency fluctuations
Geopolitical risk
Demand risk
Cyber security
Succession planning risk

MANUFACTURED CAPITAL

Our manufactured capital consists of our geographically well-distributed plants and testing stations, machinery and equipment at factories and construction sites, stores and facilities as well as all physical assets that are used to manufacture products and deliver EPC projects.

Our focussed investments in processes, quality, innovation, and technology have strengthened our capabilities in Manufacturing, Testing and Supply Chain Management. Our quest for continuous process improvement and endeavour for operational excellence differentiate us from the competition.

Tower manufacturing plant at Dubai, UAE

MANUFACTURING

Our well diversified manufacturing footprint and presence near key local markets is an important source of our competitive advantage. We have vertically integrated our operations through in-house manufacturing of transmission towers, monopoles, hardware, cables and structures for substation, railways and solar at our eight state-of-the-art tower and cables manufacturing facilities located in India, UAE, Brazil and Mexico. During the year, we successfully commissioned and commenced despatches from our sixth tower manufacturing unit in Dubai, which was acquired in FY20 to enhance our competitiveness and provide a strategic foothold in MENA and other regions.

KEC continues to be one of the largest globally operating T&D player, with a consolidated tower manufacturing capacity of 3,62,200 MTPA across six locations. Over the last few years, we have integrated backwards to manufacture galvanised steel structures for our Railway and Solar businesses, with a capacity of 60,000 MTPA, to enable control over the supply chain and enhance our competitiveness.

Our two fully integrated cables manufacturing facilities at Vadodara and Mysuru, both in India, manufacture an array of cables, viz. power, control & instrumentation, railway, telecom, and several special cables for wide range of applications. In FY21, we augmented capacities of railway contact & catenary conductors and signalling cables and continued to develop new cable products catering to the Railway segment. This is in line with our plan to make the Cables business a strategic partner to Railways for its cable sourcing needs and concurrently address the growing demand for railway products in the external market. We continue to develop new telecom and power cables for various segments such as metro rail, oil and gas, mining, smart infra, utilities etc.

In our quest to deliver superior quality products and services of international repute across geographies, we continue to enhance and strengthen our manufacturing capabilities through adoption of latest technologies and best-in-class equipment, continued focus on process innovation and stringent quality assurance standards.

8

Number of Transmission Tower & Cables Manufacturing facilities

Transmission Tower: 6
3 in India, 1 each in UAE, Brazil and Mexico

Cables: 2 (India)

4,22,200 MTPA

Global consolidated manufacturing capacity

3,62,200 MTPA
Transmission Towers, Poles and Hardware

48,000 MTPA
Railway structures

12,000 MTPA
Solar structures

CABLES MANUFACTURING CAPACITY:

Power cables: ~40,000 km per annum	Instrumentation cables: 3,600 km per annum	Optical fibre cables: 8 lakh fibre km per annum
Copper telecom cables: 6 lakh conductor km per annum	Catenary conductors: 2,040 MTPA	Contact wire: 3,240 MTPA

All manufacturing units are Integrated Management System (IMS) certified

Tower Testing Station at Butibori, Maharashtra

TOWER TESTING

KEC is the only company in the world to have four tower testing stations. These sophisticated testing facilities, three in India and one in Brazil, are capable of testing towers of up to 1,200 kV, including Lattice and Guyed Towers, Tubular and Monopoles. Strategically located near our manufacturing plants, they provide complete testing solutions for all kinds of transmission tower/pole requirements.

During FY21, as the impact of the pandemic made travel difficult, we commenced virtual tower testing at the Butibori testing station, which offered an opportunity to our customers across the globe to verify design and quality parameters of towers through live video-streaming. This unique digitalisation initiative helped us accelerate project progress and promises to reap in significant benefits in the post-COVID world.

- **Nagpur testing facility, India:**
  One of the largest facilities in the world, with a capability to test towers up to 1,200 kV
- **Belo Horizonte testing station, Brazil:**
  One of the largest tower testing station in the Americas
- **Testing stations in India:**
  ISO 17025:2005 accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL)
- **Testing station in Brazil:**
  ISO 9001:2015 accredited by Bureau Veritas

SUPPLY CHAIN MANAGEMENT

KEC's well-integrated and robust supply chain system is backed by a large network of world-class vendors and logistics service providers. We believe in cultivating strategic relationships with key vendors, who are fully integrated into our supply chain processes.

During the year, we continued to deploy novel techniques to enhance efficiency and transparency of our operations. We leverage digital technologies for spend analytics to streamline our procurement process and minimise risk exposure. We have also implemented IoT solutions to capture real-time operational data from CNC machines at all our manufacturing plants in India. With an aim to reduce our carbon footprint, we have significantly enhanced our engagement with Indian Railways to transport tower and railway structures from our manufacturing units to various project sites. We also continued our thrust on reducing logistics lead time, especially for inaccessible/difficult locations, and reducing costs by adopting value engineering and improving utilisation ratios.

In line with our focus on continuous process improvement we leverage various tools and techniques such as Business Excellence (RPGOE), Lean Six Sigma, Kaizen, Best Practices sharing, Internal/External benchmarking, etc.

Despatch of material to project sites

THE COMPANY'S KEY FOCUS AREA AND INITIATIVES UNDERTAKEN DURING THE YEAR INCLUDE:

Focus Areas	Key actions and initiatives
Quality and Service Delivery	▪ Focussed five-step approach towards quality management and service delivery – training, preparation of check sheets in local languages, random quality checks, review of check sheets and digital evidencing of each activity ▪ Other initiatives include IMS certifications, preparation of quality plans for each project, quality toolbox talks, etc. ▪ Digitalisation of quality processes ▪ Achieved significant cost savings and environmental benefits on account of usage of fly ash in concrete and utilisation of scrap materials for fabrication of cleaning rooms

Stakeholders impacted	Material issues addressed	Key risks addressed
Employees	Quality and Service delivery	Execution challenges
Customers		Demand risk

INTELLECTUAL CAPITAL

Our extensive experience coupled with deep engineering and designing capabilities, well-defined systems and processes, and focus on innovation and digitalisation form the core of our intellectual capital. Being intangible and difficult to replicate, our intellectual capital has been instrumental in enabling us to deliver unmatched customer experience and enhance our market share across sectors, making it a major source of our competitive advantage in the industry.

Engineering Team, Mumbai (pre COVID-19)

ENGINEERING & DESIGN

Our experienced talent pool of over 275 engineers spread across eight locations in India and the Americas, harnessing the latest design and digital technologies, enable us to deliver custom engineering & design solutions for complex projects across our businesses. We possess an unparalleled experience of having designed various types of transmission line towers and substations for projects located in varied terrains and geographies. During the year, we have also deployed innovative digital solutions to further our engineering and design capabilities, such as developing an in-house application to reduce overall design cycle time. We have strengthened our engineering team for Railways as well as Civil businesses by adding capabilities to construct metro rail viaducts, bridges, PEB structures and geotechnical designs.

Our Strengths:

- Vast library of Transmission Line design database, including Towers, Hybrid Poles and Monopoles, spanning over 60 years
- Expertise across designing Substations (AIS, GIS, Hybrid) and Solar structures
- Equipped with the latest design, detailing, and profiling software
- Adoption of latest technology – Lidar, Drones, and Photogrammetry to conduct surveys
- Expertise in use of Building Information Modelling (BIM) for improving design and construction efficiency
- Stringent design-to-delivery cycle time

DIGITAL & INNOVATION

At KEC, we continue to leverage digital technologies to manage and overcome the complexities of the current business environment and build infrastructure for the future. An early adopter of Digital among Indian EPC players, we have expanded digital adoption with the use of technologies such as Artificial Intelligence, Machine Learning, Advance Analytics, Robotic Process Automation, IoT and BIM, which is helping us enhance our efficiencies and deliver cost, quality, time and safety advantage over our industry peers. Our "Drone Go-to Work" initiative continues to strengthen our capabilities to perform surveys rapidly across businesses and string power conductors in transmission line projects.

We have also developed and implemented robust innovation processes across the Company to drive innovation in our businesses, especially in transmission, substations, railways and civil, and functions such as engineering, manufacturing, supply chain, finance and human resources. These innovations help us enhance our construction productivity, accelerate project execution, reduce costs, ensure superior quality and safety standards, and reduce wastage.

Besides continuously reimagining our digital and innovation roadmap, we are also fostering a culture of innovation within the Company through the RPG Innovation Festival, a platform where breakthrough innovative ideas implemented by KEC and other RPG Group companies are showcased to celebrate the spirit of innovation and excellence. The initiative garnered submission of over 100 ideas from across KEC businesses and functions, a testament to our firm focus on innovation.

During the year, we have designed multiple digital solutions, some of which are amongst the first in the EPC sector, to drive benefits in areas of productivity improvement, cost reduction and improved compliances.

We also continue to leverage our homegrown digital platform, named "Raksha", to manage EHS compliance at our sites, factories, and other workplaces.

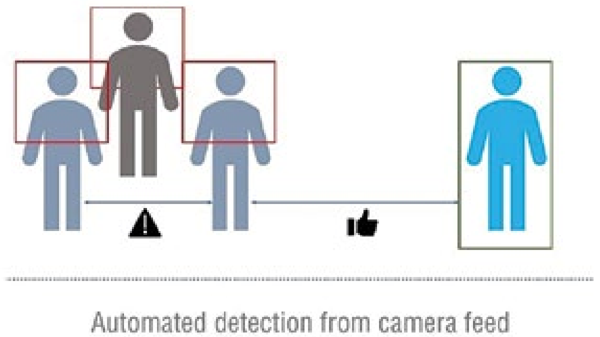
COVID-19 RESPONSIVENESS

The COVID-19 crisis came as a surprise and caught most industries off guard. The pandemic also had a significant impact on the EPC industry, which generally ranks low on digitalisation and thrives on on-site operations. At KEC, we deployed digital tools and solutions for our workforce, to enable safer on-site operations and smoother remote working experience. These include:

- 'Netra' platform for social distancing compliance at manufacturing plants and project sites

  KEC was one of the first companies in India to develop its own AI-powered digital platform to ensure strict compliance to social distancing and COVID-19 guidelines.
- *Employee wellbeing*
  We provided mobility solutions to our employees for health declaration, medical assistance, vaccination status updates etc. This enabled HR representatives to check on the wellbeing of employees across various geographies at their fingertips and provide the required support to them.
- *Unlocking operations*
  We developed digital platforms for our project sites enabling them to swiftly restore operations post lockdown and ensure strict adherence to COVID-19 compliances for smooth site operations.

Netra



IoT-POWERED SAFETY ROBOTS AT SITES

To minimise human error and increase safety at work areas, we have developed a smart sensor-based robotic solution to track and monitor EHS compliance at railway project sites. With the power of IoT and Analytics, we have been able to enhance surveillance at remote sites to a great extent.

IoT-powered safety robots at sites

INTELLIGENT PROJECT MONITORING PLATFORM

The pandemic made a significant part of our workforce to operate remotely, due to which it became difficult to effectively track progress of projects from available ground level data. To counter this, we developed and implemented a project monitoring platform and also introduced smart wearables, which enabled various project teams to obtain precise updates from sites on a daily basis, helping them in prompt decision-making and ensuring timely intervention when required.

WORLD-CLASS ENGINEERING

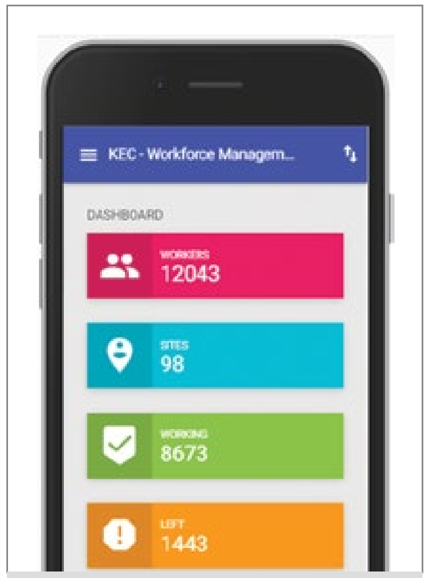
We continue to enhance our design and engineering proficiency with the use of digital tools and solutions:

- **Building Information Management (BIM)**
  We use Building Information Management platform for large projects to ensure smooth integration of design to execution and change management. BIM dashboards provides real-time insights about design reviews, clash detections and simulated views for impact analysis.
- **Rapid design tools**
  To improve design process efficiency and reusability of designs, we use AI-based intelligent process automation tools to eliminate manual intervention.

CONNECTED WORKFORCE

We have rolled out digital mobility solutions to manage workforce across project sites.

Workforce lifecycle – Onboarding, attendance, training, and labour compliances is being made available through this solution.



Workforce Management


Narrow base towers

INNOVATION

With "Inspiring Innovation" being one of the key tenets at KEC, we continue to challenge the status quo in our systems and processes year-on-year. We have a dedicated task force that constantly works towards identifying and adopting game changing ideas to suit our businesses and functions, with an aim to make our processes more efficient, improve productivity and competency, and make us agile and profitable.

Some of the advanced and innovative solutions being implemented across our Company include:

- Mechanisation and productivity improvement solutions in Railways to fast-track Overhead Electrification (OHE) and track laying works
- Robotic process automation to optimise engineering processes
- Unique tower designs for project locations where land availability for tower footprint is limited

Recognising RPG Group's continuous focus on innovation and creating benchmarks in sectors its Companies operate in, the RPG Group was presented with the Most Innovative Company award at the prestigious Economic Times Innovation Awards.

Stakeholders impacted	Material issues addressed	Key risks addressed
Employees	Digitalisation and Innovation	Execution Challenges
Vendors		Cyber Security
Customers		

HUMAN CAPITAL

Human capital is the bedrock of KEC's consistent success over the years. We continue to be the preferred employer in the construction and infrastructure sector for all existing as well as potential employees. To this end, we strive to nurture a transparent performance-driven environment within the organisation to motivate and empower our people. Our diverse, professional, and empowered workforce helps us create remarkable value for our stakeholders, deliver excellence to our clients, and establish our leadership position. The RPG Group's Vision, Values and Capability tenets foster an empowering work culture at KEC that encourages learning, transformation and growth.

We promote a culture that aims at meritocracy, openness, mutual care and respect, with a focus on personal and professional learning and progress. Furthermore, it is focussed on promoting a diverse and inclusive workplace that ensures fairness and equal opportunity for everyone.

Learning at KEC begins right from the time of an employee's on-boarding. The employee goes through a structured orientation programme to understand the business, key stakeholders and the job expectations. The learning and development needs are analysed in a structured manner and addressed through a blended learning format – digital, classroom, experiential and virtual instructor-led learning programmes.

Creating a safe working environment that promotes the physical and mental well-being of all employees is of utmost importance to us. KEC is achieving enhanced standards of safety performance through continuous focus on implementing advanced and customised safety practices, along with improving safety awareness amongst the workforce.

In FY19, the RPG Group had launched a new brand tagline – Hello Happiness. The tagline has now become a part of the RPG Group as well as KEC's core ethos. During the year, the Group launched an employee engagement initiative called the 'Happiness Survey 2021' where the Company attempted to understand the opinions of its employees. The survey achieved an overwhelming response rate of 88%. Considering the magnitude of the coverage, we are confident that the results reflect the true perspectives of our employees.

RPG HAPPINESS SURVEY 2021

KEC Happiness Quotient

80%

Parameter	Value
Total Employees	36,647
▪ Management	9,258
▪ Non-Management (Contractual / Temporary workforce)	27,389
Number of nationalities represented	38
Diversity – Number of women employees and People With Disability	466
Percentage of millennials	57%
Total Training Hours	1,68,044
▪ Classroom/Virtual Sessions	61,990
▪ E-learning	1,06,054
Average Training Hours (per employee, per year)	33.44
▪ Managers	26.66
▪ Officers / Associates	37.08
Occupational disease frequency rate	0
Lost Time Injuries Frequency Rate (LTIFR)	0.68
Total hours of safety-related training	8,92,432

Happiness Quotient

Target:
Increase Happiness Quotient to 85% by FY26

The Company's key focus areas and initiatives undertaken during the year include:

HUMAN CAPITAL MANAGEMENT

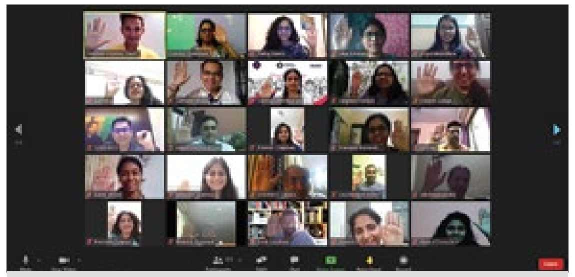
- Focus on building an open and contemporary culture with an emphasis on personal and professional learning as well as progress
- Launched Digital Learning Championship, a flagship event that promotes technology-driven learning with a gamified experience. The initiative encompasses self-development of a wide spectrum of practices across behavioural, functional, and technical competencies. During the year, over 5.4 lakh learning sessions were completed under this championship.

- KEC was declared the runners up for Stream Digital Transformation & Technology Adoption, at the 4th National HR Circle Competition 2020, organised by the Confederation of Indian Industry (CII)

- Our talent and leadership capacity development initiatives include:
  - **Group Management Resource (GMR):** A flagship programme of the RPG Group, where the best minds from India's premiere B-schools are hired and groomed for managerial and leadership positions within the Company.
  - **Armed Forces Program (AFP):** Former Armed Forces personnel are hired as a talent pipeline from India's top-tier B-Schools to build our leadership capabilities.
  - **Engineering Leadership Program (ELP):** Graduates and post-graduates from across India's top engineering campuses are hired and groomed through rigorous training & development programs, on-the-job & cross-functional exercises across projects, classroom sessions, assessments, and certifications.
  - **Commercial Leadership Program (CLP):** This programme is aimed at building capabilities and talent pipeline in Commercial, Finance, Accounts, Insurance and Taxation departments. The capabilities developed through CLP helps KEC nurture young talent and groom them into taking up managerial roles in the future.
  - **Future Leaders Board (FLB):** In line with RPG Group's vision of Unleashing Talent, this programme is designed to encourage and develop top talent of the Company, wherein members undergo leadership & personality development trainings and mentoring sessions, experience working on live projects etc. to develop business acumen for becoming future leaders at KEC.

DIVERSITY & INCLUSION

- Formed a Diversity and Inclusion committee, which ensures an inclusive environment by rolling out employee-friendly policies and programmes that address gender sensitisation, and unconscious bias, amongst others
- All initiatives directed towards Diversity and Inclusion are aligned with 'ADMIRE' i.e., Acquire, Develop, Motivate, Involve, Retain and Empower, framework of the Group
- Deployed women employees on shop floors, casting yards, stores and across international and domestic project sites
- Launched progressive policies for specialised hiring of women at senior level, mentoring programmes for women employees, discussion circles to help women through major life stages and a focus on security of women employees


Virtual Women's Day celebrations


Women employees on shop floor

Diversity & Inclusion

Target:
Increase in diversity by 25% by FY26

Occupational Health and Safety

- The Company continues to be certified under the single umbrella of the latest international standards of Integrated Management System that encompasses the following standards:

- Company's Environment, Health and Safety (EHS) policy, EHS Systems and Procedures is applicable to all employees including contractors.
- The monitoring, checking, review of the above is done through internal and external audits. In FY21, a total 281 safety audits were conducted including the external audit of our Environment and Safety Management Systems as per the requirements of ISO 14001 & ISO 45001.
- An emphasis on safety training has been continued this year for all levels of employees & contractors. Safety induction programme is mandatory for all new people including contractors.
- Migrated to a digital Environment, Health and Safety (EHS) reporting system through a digital application (developed inhouse). The platform provides a comprehensive digital solution for an end-to-end EHS management and helps the Company to achieve zero incident way of working.


Work-at-height Safety Training

- Modernising conventional methods of EHS trainings by leveraging cutting-edge technologies such as Virtual and Augmented reality. The Company has identified 10 modules on which training programmes have been developed:
  - Horizontal Movement on Towers
  - Ascending & Descending on Towers
  - Electrical Shutdown Activity
  - Material Loading
  - Failure of Tools and Plants
  - Mobile Use on Railway Track
  - Biological Hazard Prevention
  - Opening, Cutout & Barricading
  - Scaffolding - Erection/ Dismantling
  - Excavation - Foundation Activities


Virtual Reality training

Safety Park, Bangladesh

- We have ten life-saving rules, which if not complied with, will most likely result in serious injuries. These are known as 10 Hazards That Kill (10 HTK) and are applicable for all KEC locations.
- Giving emphasis on safety practices at project site locations, a premobilisation audit before start of project site, finalisation of Project safety plan, Hazard Identification and risk assessment of all activities is completed. At each project site, a safety park is made for enhancing safety awareness of contractor employees.
- In the light of the COVID-19 pandemic, several initiatives have been undertaken to ensure compliance across all the project locations and manufacturing plants. A Standard Operating Procedure has been prepared in line with regulatory requirements, which is diligently followed across the operations.
- Besides several other awards and recognitions, the Company was presented with the 'Corona Warrior Award' at 12th CIDC Vishwakarma Awards 2021, for preventive measures undertaken during the pandemic.

Occupational Health & Safety

Target:
Work towards the goal of achieving Zero accidents

Stakeholders impacted	Material issues addressed	Key risks addressed
Employees	Human Capital Management	Pandemic risk
	Diversity & Inclusion	Succession Planning risk
	Occupational Health & Safety	

NATURAL CAPITAL

We believe that a growing business and a prosperous society can only exist in a sustainable natural environment. We are committed towards rejuvenation of the natural environment, going beyond compliance to greener business operations. Our goal is to preserve and enhance the natural capital by reducing its resource footprint and by implementing a decarbonisation roadmap.

To address concerns such as climate change and diminishing natural resources, we have established several processes, which are not only efficient but also environment-friendly. Over the years, the Company has successfully established credibility in effectively delivering sustainable products and services by minimising its negative impacts on the environment.

Our plans to enhance the natural capital revolves around our strategies on three broad focus areas of decarbonisation, water positive approach and circularity. Our initiatives under each of these help us in minimising our environmental footprint and contribute to the impending threats of climate change.

Parameter	Unit	Quantity
Renewable Energy units consumed	kWh	42,74,741
Total Energy consumed	Mwh	1,15,193
Energy consumption intensity - Transmission line plants	Mwh/MT	0.39
Energy consumption intensity - Cable plants	Mwh/km	0.27
Greenhouse Gas Emissions (GHG)	tCO_2e	37,720
Scope 1 GHG	tCO_2e	21,385
Scope 2 GHG	tCO_2e	16,335
GHG intensity - Transmission line plants	tCO_2e/MT	0.12
GHG intensity - Cable plants	tCO_2e/km	0.14
Water Consumed	kL	2,74,525
Water consumption intensity - Transmission line plants	kL/MT	0.78
Water consumption intensity - Cable plants	kL/km	1.28
Percentage of Water Saved	%	14%
Acid Neutralisation sludge diverted to landfill	MT	1,899
Specific Steel waste generated (per MT of production)	%	6.71%
Specific Zinc waste generated (per MT of production)	%	0.86%
Recycled Input Materials: Steel and Zinc	MT	Steel - 105 MT
		Zinc - 105 MT

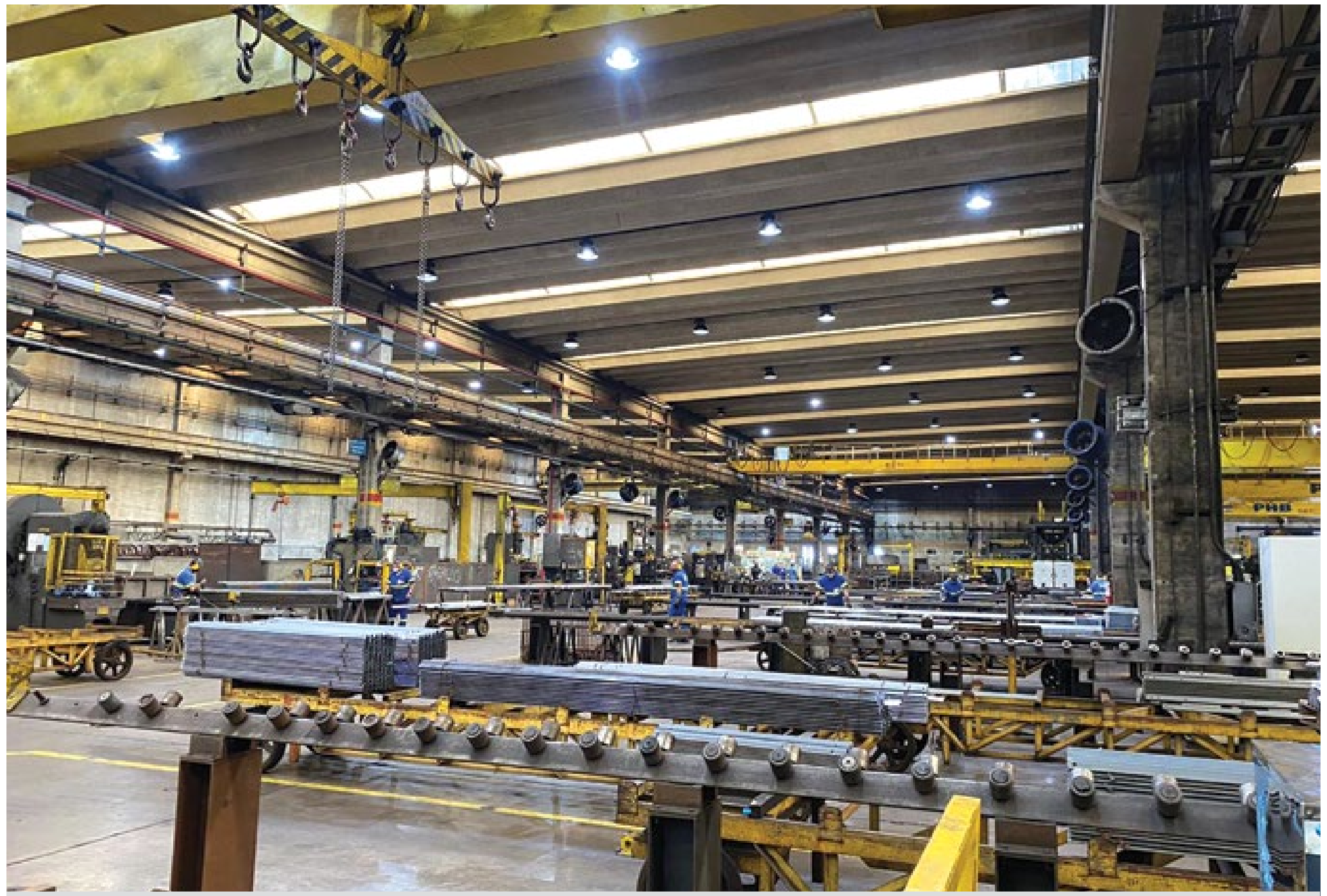
**The reporting boundary for the data is representation of manufacturing plants only*

The Company's key focus areas and initiatives undertaken during the year include:

DECARBONISATION

We are committed to implementing a decarbonisation roadmap to preserve and enhance the natural capital.


Solar rooftop power plant, Jaipur manufacturing unit


LED illumination at SAE Brazil manufacturing plant

- **Emissions**

  We believe that climate change is one of the greatest threats to humanity in the present times and we will minimise our contribution to climate change by exploring and implementing opportunities to decrease GHG emissions.

  Our Scope 1 emissions are due to the consumption of fuels such as petrol, high speed diesel, furnace oil, natural gas, LPG and CNG.

  Our Scope 2 emissions are on account of utilisation of the grid electricity supplied by the state electricity boards.

- **Energy**

  We operate in an industry which is highly energy intensive and hence opportunities to minimise our energy consumption is an important element of our journey towards decarbonisation.

  Various energy efficiency initiatives have been implemented at our manufacturing plants, including switch to LED lighting solutions, elimination of exhaust fans by replacement with natural ventilators in the manufacturing sheds, etc.

  Solar rooftop plants have been installed at our Nagpur and Jaipur manufacturing locations to increase the share of renewable energy in our energy mix. This leads to considerable emissions reduction as well as cost saving for us.

  At Mysuru Cables plant, we have procured around 90% of our total energy requirement from renewable energy sources in FY21.

Carbon Emission

Target:
Reduce Greenhouse Gas (GHG) emissions intensity of manufacturing plants by 20% by FY26

Energy Consumption

Target:
Reduce energy consumption intensity of manufacturing plants by 15% by FY26

WATER-POSITIVE APPROACH

Our manufacturing plants have achieved the status of 'Zero Wastewater Discharge' and we fully recycle both trade effluents and domestic wastewater. We have also taken rainwater harvesting initiatives and a total of 14 rainwater harvesting points are installed in all 3 of our transmission-line plants in India.

In cable plants, we have installed pressure control valve at process equipment to avoid wastage and leakages. We also have initiated a natural water harvesting system by construction of water pond resulting in good water table in the region throughout the year even in peak summer.

The construction business is highly water intensive and various measures have been taken to bring down the overall water footprint. We aim to reduce our water footprint to preserve and enhance our natural capital. In order to conserve water at project sites, we are using curing compounds, which are manufactured by reputed companies and approved by our esteemed clients, as a partial alternative to water.

Rainwater harvesting pond, Vadodara


Sewage Treatment Plant, Jaipur

Water Positive Approach

Target:
Reduce water consumption intensity in manufacturing plants by 20% by FY26

CIRCULARITY

Being an EPC company, we primarily use steel, zinc, aluminium, copper and cement as raw materials, as part of our business activities. Various efforts have been made to bring down the material consumption and at the same time deliver products and projects without compromising on quality.

We undertake various initiatives to recycle Steel and Zinc at the production facilities. Steel waste generated is sold to nearby foundries where 100% of the waste is utilised in making billets and castings. We have developed an in-house Zinc recovery mechanism from Zinc Ash, resulting into reduction of hazardous waste generation and its conservation. The Zinc process waste is sold to secondary Zinc product manufacturers resulting in more than 90% recycling.

Efforts have also been made to reduce the generation of hazardous waste. An acid recovery plant has been installed at the Nagpur plant. The regenerated acid is utilised back in the process, while the byproduct is sent to cement players for incineration, thereby reducing the amount of hazardous waste reaching the landfills.


ETP Plant for spent acid neutralisation, Jabalpur


Best Green Construction Award at 10th World CSR Congress & Awards 2021


Zinc Recovery Furnace, Jabalpur

Circularity

Target:
Zero waste to landfill by FY26 for manufacturing plants

Stakeholders impacted	Material issues addressed	Key risks addressed
▪ Employees	▪ Decarbonisation	▪ Execution challenges
▪ Local Community and NGOs & CSR partners	▪ Water-Positive Approach	
	▪ Circularity	

SOCIAL AND RELATIONSHIP CAPITAL

Driving the holistic empowerment of our stakeholders is at the core of our corporate philosophy. We are committed to creating maximum positive impact by envisioning a brighter future for the communities we operate in and the stakeholders we work with. We reinforce relationships through regular engagement and partnerships with our key stakeholders to understand their expectations from us and identify areas for improvement to work on with a purpose of generating long-term sustainable value for everyone.

Aligned with the RPG Group's CSR Vision, our society-centric projects are aimed at facilitating development and sustainable growth in the surrounding communities through initiatives that are directed towards entrepreneurship, education, environment, and health. In addition to this, we recognise the importance of collective effort and encourage our employees to participate in various volunteering initiatives that are aimed at achieving societal development. We are committed towards contributing to the socioeconomic development of the communities we operate in through creation of employment opportunities.

We maintain our resolute focus on building strategic relationships and partnerships with our vendors. In order to ensure a sustainable value chain, we encourage vendors to be conscious in their business actions and abide by the ethical standards. While we have undertaken several initiatives to ensure supply chain sustainability and responsible business operations, we are now working on formally integrating ESG considerations in our supply chain.

We focus on strategies towards building stronger bonds of trust with our customers – who have a stake in our progress. We believe that enduring relationships with our customers provide insights, which helps us to carefully review and progressively refine our strategies to create long-term value for all. Our focus on customer-centricity, continuous quest for operational excellence and impetus on process re-imagining gives us an edge in the industry. We constantly strive to create value for our customers through delivery of world-class products and services.

SWAYAM HEALTH

Vocational skills training for entry level job roles in healthcare industry

IMPACT / VALUE GENERATED

- **Geographical coverage:** Nagpur, Jaipur, Jabalpur, Gurugram, Vadodara, Mysuru, Aurangabad
- **Outreach:** 1,456 trained and 1,026 placed

SWAYAM SKILLS

Skills training and support for skills or trades having local demand, such as Solar PV Technician, Sewing Machine Operator, Small Business, Income Generating Activities, etc.

IMPACT / VALUE GENERATED

- **Geographical coverage:** Nagpur, Jaipur, Jabalpur, Vadodara
- **Outreach:** 448 trained and 451 placed

SWAYAM DIGITAL

Vocational skills training on digital skills such as Hardware, Networking, Digital Marketing, ITI, etc.

IMPACT / VALUE GENERATED

- **Geographical coverage:** Nagpur, Jaipur, Gurugram, Vadodara, Jabalpur, Aurangabad, Mysuru
- **Outreach:** 381 beneficiaries (training ongoing)

SWAYAM DRIVE

Two-wheeler riding training to secure employment as a delivery executive

IMPACT / VALUE GENERATED

- **Geographical coverage:** Nagpur, Jaipur, Gurugram, Vadodara
- **Outreach:** 343 trained and 205 placed

SWAYAM CONSTRUCTION

Vocational skills training for entry level jobs in high demand infrastructure sector, for roles such as Construction worker, Electrician, Mason, Carpenter, Scaffolder, Rigger, Welder, etc.

IMPACT / VALUE GENERATED

- **Geographical coverage:** Nagpur, Jaipur, Gurugram, Vadodara, Aurangabad
- **Outreach:** 401 beneficiaries (training ongoing)

PEHLAY AKSHAR SCHOOLING

Functional English classes imparted to children through various offline and online modes (TV-DD Program, A-Story-A-Day Campaign, YouTube, etc.)

IMPACT / VALUE GENERATED

- **Geographical coverage:** Mumbai, Maharashtra
- **Outreach:** 60,000 children

PEHLAY AKSHAR TRAINING

Capacity building of government school teachers and helping them create 'Magic Classrooms' – safe learning environment for school children and effective classes

IMPACT / VALUE GENERATED

- **Geographical coverage:** Mumbai, Maharashtra
- **Outreach:** 1,450 teachers, 5,500 'Sathi' sessions

HERITAGE

Restoration and revival of sites, which are of historical significance.

Funding the restoration of 'Banganga' heritage site, development of a walking app called 'AMBLE' and installation of signages at 153 UNESCO-declared world heritage sites in Mumbai

Corporate Social Responsibility

Target:

- Reach 2 lakh CSR beneficiaries by FY26

Swayam Health

Swayam Skill

Swayam Construction

Swayam Digital

OUR EFFORTS TOWARDS COVID-19 RELIEF

We support essential needs of the local community through various interventions like providing community water purification systems, building schools and community toilets, undertaking COVID-19 relief work, etc.

- Established a **36-bed** Quarantine Centre at Nagpur for the local community
- Meals distributed to **80,258** beneficiaries to health workers, police officers & community people
- **40** COVID-19 sample collection booths donated; **20,000** beneficiaries
- **50,000** N-95 masks provided to Municipal Corporation of Greater Mumbai
- **5,600** Dry ration kits distributed
- 25 Ventilators donated to hospitals; **12,500** beneficiaries
- **25** Oxygen Concentrators & **10** oxygen cylinders donated; **5,000** beneficiaries
- **4,450** COVID Care Kits distributed
- **10** medical beds donated to hospitals; **505** beneficiaries
- **1** school toilet constructed; **250** beneficiaries


Ventilator donation at Jabalpur


Food distribution at Nagpur


Oxygen cylinders for Community Health Centre, Jharkhand


Quarantine Centre at Nagpur


Medical beds for Community Health Centre, Jharkhand


Oxygen Concentrator for Defence Civilian Personnel at Visakhapatnam


PPE Kits donation at Jaipur

VACCINATION DRIVE AT KEC

We organised COVID-19 vaccination camps for our employees, clients, workers and the local community across our offices, manufacturing units and project sites.

THE COMPANY'S FOCUS AREAS AND INITIATIVES UNDERTAKEN TOWARDS BUILDING STRATEGIC RELATIONSHIPS INCLUDE:

Focus Areas	Key actions and initiatives
Customer Centricity	▪ Focussed interactions with customers at project locations ▪ Periodic feedback and customer satisfaction surveys ▪ Achieved customer satisfaction rating of 83.5% during the current reporting period
Sustainable Procurement	▪ Periodic engagement with major vendors and value chain partners to understand their concerns and expectations ▪ Deployment of KEC engineers and officers at vendors' site for training and capacity building of vendors on best practices pertaining to sustainability and safety ▪ Periodic quality audits ▪ Initiated 'Go Green' initiative with select transporter that promotes ground transportation using trucks fuelled on CNG ▪ Partnered with CONCOR and Indian Railways to use railways for ground transportation, instead of trucks ▪ Conscious efforts to encourage, promote and onboard small and medium scale industries. Till date, 27 MSME vendors have been onboarded ▪ Engagement with and capacity building of select vendors on KEC's ESG or sustainable procurement priorities. This is carried out as a pilot for a bigger 'Sustainable Procurement' roadmap that will be implemented by the Company

Sustainable Procurement

Target:
100% of key suppliers to be assessed under ESG criteria by FY23

Stakeholders impacted	Material issues addressed	Key risks addressed
Employees	Customer-Centricity	Pandemic risk
Vendors	Local Community Development	Geopolitical risks
Customers	Sustainable Procurement	Demand risk
Investors & Analysts		Execution Challenges
Local Community and NGOs & CSR partners		
Media		

ADDRESSING GLOBAL PRIORITIES

In the process of managing our different capitals and the pursuit of creating value for our stakeholders, we contribute significantly to the United Nations Sustainable Development Goals (UN SDGs). Our priorities for sustainable development are aligned to those of India as well as of the global community. As a responsible corporate citizen, we have mapped the contribution made by our capitals to the various UN SDGs.

Capital	Description	SDG Linkage
Financial Capital	The outcomes of financial capital reflect our commitment towards creating value not just for our shareholders but also for the business value chain and society at large	8 Decent Work and Economic Growth; 12 Responsible Consumption and Production; 17 Partnerships for the Goals
Manufactured Capital	The outcomes of our manufactured capital enable us to create value for our customers and society through our buildings, manufacturing plants, machinery. These also create strong network with our equipment suppliers and technology providers.	9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 17 Partnerships for the Goals
Intellectual Capital	The value generated by our intellectual capital is a product of the extensive research and development which helps us in offering market differentiating products and services.	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 13 Climate Action
Natural Capital	Our outcomes from the natural capital signify the importance we place in maintaining the quality of the natural environment. This commitment is reflected by the impact of our operations across value chain and adoption of environment-friendly ways of working.	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action; 15 Life on Land
Human Capital	Our employees and workforce are the pillars behind our continued ability to deliver projects ahead of time. As our responsibility, we strive to provide a safe, inclusive, diverse, supportive and highly engaging workplace for all our employees. This commitment is guided by our strong codes of conduct, policies and business ethics.	3 Good Health and Well-Being; 5 Gender Equality; 8 Decent Work and Economic Growth
Social & Relationship Capital	We are committed to creating value not just for our shareholders but also for the communities in which we operate. We invest in maintaining strong relationships with all our valued stakeholders who support us in driving our business operations to create value. These efforts, in turn, help us in enhancing the social capital of the nation.	1 No Poverty; 2 Zero Hunger; 4 Quality Education; 10 Reduced Inequalities; 16 Peace, Justice and Strong Institutions

STATUTORY REPORTS AND FINANCIAL STATEMENTS

DIRECTORS' REPORT

To the Members of
KEC International Limited

The Directors are pleased to present the Sixteenth Annual Report (Integrated) of the Company together with Consolidated and Standalone Audited Financial Statements of the Company for the financial year ended on March 31, 2021.

1. FINANCIAL RESULTS

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenue from Operations	13,114.20	11,965.37	11,851.79	10,470.62
EBITDA	1,141.21	1,234.35	1,231.73	1,126.06
Finance Cost	262.69	307.98	241.35	276.96
Depreciation & Amortisation	152.53	147.20	121.78	117.69
Profit Before Tax	755.91	790.27	896.62	745.28
Tax Expenses	203.19	224.75	250.53	199.55
Profit After Tax	552.72	565.52	646.09	545.73
Dividend on equity shares	102.84*	105.38#	102.84*	105.38#

** final dividend proposed* *# Dividend including dividend distribution tax*

2. PERFORMANCE

Financial Performance

On a consolidated basis, the Company achieved a turnover of ₹ 13,114 Crore in FY 2020-21 with a growth of about 10 percent over FY 2019-20, despite the disruptions caused by the COVID-19 pandemic. This was a result of the concerted efforts towards ramp up in execution by deployment of mechanization, automation and digitalization initiatives to improve productivity and enhance quality of execution. The Company achieved an EBITDA margin of 8.7 percent for FY 2020-21 which was marginally impacted by the steep rise in commodity prices, additional expenditure on account of the pandemic and cost escalation in the Company's Subsidiary in Brazil. The net profit for FY 2020-21 was ₹ 553 Crore as against ₹ 566 Crore in FY 2019-20. The Company achieved a reduction in interest costs through better working capital management and reduction of high-cost loans. On a standalone basis, the Company achieved a turnover of ₹ 11,852 Crore and a net profit of ₹ 646 Crore as against ₹ 10,471 Crore and ₹ 546 Crore respectively for the previous year.

During the year, the Company secured orders of ₹ 11,876 Crore with a closing order book of ₹ 19,109 Crore. The order intake could have been higher but for the delay in ordering activities and conversion of L1 amidst the pandemic induced global slowdown. The orders during the year were primarily driven by the T&D business.

Power Transmission & Distribution (T&D) – T&D business witnessed a progressive ramp up across all project sites in Domestic as well as International locations. Despite the challenges due to COVID-19 pandemic especially in international locations, the business has been successful in maintaining revenues in line with last year. The business witnessed significant traction in terms of order intake both in domestic as well as international locations. The business reinforced its leadership position across several regions and secured orders of over ₹ 7,500 Crore which was a growth of 75 percent over last year.

Railways – The Railway business continued to be one of the key growth drivers as it delivered a stellar performance and surpassed revenues of over ₹ 3,400 Crore for the year with a growth of 34 percent vis-à-vis the previous year. In line with the diversification strategy, the business expanded its presence in technologically enabled areas and are now executing OHE, third rail, ballast-less track works for Metros and next-generation Signalling & Telecommunication systems for the Dedicated Freight Corridor. Additionally, it has also diversified into emerging areas such as speed upgradation for High-Speed Rail, construction of depots and workshops for Urban Infra projects and tunnel ventilation. Over 50 percent of order intake during the year in Railways was from these new segments.

Civil – The Civil business achieved a revenue of ₹ 1,080 Crore this year with a growth of almost 3 times compared to the previous year. The business widened its portfolio to enter new high growth areas and secured breakthrough orders and L1 positions in the areas of warehouses, water pipelines and airports. The business also reinforced its presence in the industrial space by foraying into the chemical, hydrocarbon and FGD segments.

Solar – In Solar business, the execution of the 20 MW carport project for a reputed automobile manufacturer is on track with part commissioning already achieved. The execution for the recently secured 13.60 MW rooftop solar project for a corporate client is also underway.

Smart Infra – In the Smart Infra business, the execution of the existing smart city and defence projects are on track. The business has also commenced execution of a recently secured project for constructing an Integrated Command and Control Centre and installing other Smart City components.

Cables – The Cables business has rebounded well, with a revenue growth of 9 percent for the year vis-à-vis the previous year, after the loss of production in the first quarter due to COVID-19 related lockdowns. The business is progressing well on the development of new products for railways and exports and is on track to commercialize more products in FY 2021-22. The profitability of the business has witnessed headwinds due to steep rise in the raw material prices.

3. DIVIDEND

The Board of Directors recommends a final dividend of ₹ 4.00 per equity share i.e. 200 percent of the nominal value of ₹ 2/- per equity share for the financial year ended March 31, 2021. The dividend, if approved by the Members in the ensuing Annual General Meeting, would involve a cash outflow of about ₹ 103 Crore.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of final dividend after deduction of tax at source, as applicable.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations"), the Company has formulated a Dividend Distribution Policy which is available on the website of the Company at https://www.kecrpg.com/policies.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to reserves during the year under review.

5. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2021 was ₹ 51.42 Crore. There was no change in the share capital during the year under review.

6. DEBENTURES

The Company has redeemed 1,500 Non-convertible Debentures (Series I) on April 20, 2020, being the due date for redemption. Further, the Company has repurchased 1,000 Non-convertible Debentures (Series II and III) on June 23, 2020 and redeemed them before their respective due dates. There were no outstanding debentures as on March 31, 2021.

7. DEPOSITS

The Company has not accepted any deposits within the meaning of sub-section (31) of Section 2 and Section 73 of the Companies Act, 2013 ("the Act") and the Rules framed thereunder. As on March 31, 2021, there were no deposits lying unpaid or unclaimed.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The loans given, investments made and guarantees given & securities provided during the year under review, are in compliance with the provisions of the Section 186 of the Act and Rules made thereunder and details thereof are given in the Notes to the Standalone Financial Statements.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT, BUSINESS RESPONSIBLITY REPORT AND CORPORATE GOVERNANCE REPORT

In terms of Regulation 34 of SEBI Listing Regulations, a separate section on Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report together with a certificate from a Practicing Company Secretary confirming compliance with the Regulations relating to Corporate Governance of SEBI Listing Regulations are set out and form part of this Annual Report.

10. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of sub-section (3) of Section 129 of the Act and SEBI Listing Regulations, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiary companies, forms part of this Annual Report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act.

11. SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has seventeen subsidiaries as on March 31, 2021 comprising of eight direct subsidiaries and nine step-down subsidiaries of which seven subsidiaries are operating subsidiaries and three subsidiaries functioning as special purpose vehicles. The Company has one associate company under Section 8 of the Act for the welfare of the past employees.

Performance Highlights

Pursuant to the provisions of sub-section (3) of Section 129 of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the salient features of the Financial Statements of each of the subsidiaries and associate companies are set out in the prescribed Form AOC-1 and the same forms part of the Financial Statements section of the Annual Report.

The performance highlights of wholly owned operating subsidiaries and their contribution to the overall performance of the Company during the financial year ended March 31, 2021 are as under:

Subsidiary	Performance during FY 2020-21 (₹ in Crore)		Contribution to overall performance of the Company (%)	
	Revenue	Profit After Tax	Revenue	Profit After Tax
SAE Towers Brazil Torres de Transmisao Ltda.	814.19	(99.06)	6.21	(17.92)
SAE Towers Mexico, S de RL de CV	324.53	4.23	2.47	0.77
SAE Towers Limited	300.96	0.03	2.29	0.01
KEC International (Malaysia) SDN.BHD.	269.62	4.92	2.06	0.89
KEC Towers LLC	81.44	0.38	0.62	0.07
SAE Prestadora de Servicios Mexico, S de RL de CV	48.21	0.49	0.37	0.09

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of these subsidiaries are available on the website of the Company i.e. www.kecrpg.com under 'Investors' tab. Further in terms of SEBI Listing Regulations, the Company has formulated a policy for determining its 'material subsidiaries' and the same is available on the website of the Company at https://www.kecrpg.com/policies.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of clause (c) of sub-section (3) and sub-section (5) of Section 134 of the Act, the Board of Directors of the Company hereby confirm that:

1. in the preparation of the annual accounts for the financial year ended on March 31, 2021, the applicable Accounting Standards have been followed and no material departures have been made from the same;

2. we have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on March 31, 2021;

3. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. we have prepared the annual accounts for the financial year ended on March 31, 2021 on a going concern basis;

5. we have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and

6. we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. DIRECTORS & KEY MANAGERIAL PERSONNEL

13.1 Directors

During the year under review, Mr. A.T. Vaswani and Ms. Nirupama Rao were re-appointed as Independent Directors for a second term of five consecutive years commencing from July 29, 2020 up to July 28, 2025. Mr. Vikram Gandhi and Mr. M.S. Unnikrishnan were appointed as Independent Directors of the Company with effect from August 07, 2019 and November 08, 2019 respectively, for a first term of five years. All these appointments/re-appointments were approved by the Members of the Company at the previous Annual General Meeting held during the year by passing the requisite resolutions in this regard.

Mr. Vimal Kejriwal was re-appointed as Managing Director & CEO of the Company by the Members on July 23, 2019 effective April 01, 2020 for a period of 2 years. The present term of Mr. Vimal Kejriwal as Managing Director & CEO will end on March 31, 2022. Based on the performance evaluation of Mr. Vimal Kejriwal, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on May 10, 2021 and May 11, 2021 recommended and approved the re-appointment of Mr. Vimal Kejriwal as Managing Director & CEO of the Company w.e.f. April 01, 2022 for a further period of two years, subject to approval of Members at the ensuing Annual General Meeting.

Pursuant to the provisions of sub-section (6) of Section 152 of the Act and Articles of Association of the Company, Mr. Vimal Kejriwal, Managing Director & CEO, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In compliance with sub-regulation (3) of Regulation 36 of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings, brief resume, expertise and other details of Mr. Kejriwal are given in the Notice convening the ensuing Annual General Meeting.

The Board recommends the re-appointment of Mr. Vimal Kejriwal as stated above in the ensuing Annual General Meeting.

13.2 Key Managerial Personnel (KMP)

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons are the Key Managerial Personnel of the Company as on March 31, 2021:

1. Mr. Vimal Kejriwal, Managing Director & CEO;
2. Mr. Rajeev Aggarwal, Chief Financial Officer; and
3. Mr. Amit Kumar Gupta, Company Secretary.

During the year under review, there were no changes in the Key Managerial Personnel of your Company.

13.3 Declaration by Independent Directors

In terms of the provisions of sub-section (6) of Section 149 of the Act and Regulation 16 of SEBI Listing Regulations including amendments thereof, the Company has received declarations from all the Independent Directors of the Company that they meet the criteria of independence, as prescribed under the provisions of the Act and SEBI Listing Regulations. There has been no change in the circumstances affecting their status as an Independent Director during the year. Further, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity. As per the proviso to Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company are exempted from undertaking the online proficiency self-assessment test.

13.4 Board Evaluation

The Board has carried out annual performance evaluation of its own performance, the Directors individually and of its Committees as mandated under the Act and SEBI Listing Regulations. In order to have a fair and unbiased view of all the Directors, the Company engaged the services of an external agency to facilitate the evaluation process.

The Directors were provided with an electronic platform to record their views and a consolidated report was generated by the agency based on the views expressed by all the Directors. The reports generated out of the evaluation process were placed before the Board at its meeting and noted by the Directors.

Further, a meeting of Independent Directors was held on March 12, 2021 chaired by Mr. A. T. Vaswani, Lead Independent Director, to review the performance of the Chairman, Non-Independent Director of the Company and the performance of the Board as a whole as mandated by Schedule IV of the Act and SEBI Listing Regulations. The Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board, which is necessary for the Board to effectively and reasonably perform their duties. The feedback of the meeting was shared by Lead Independent Director with the Board of the Company.

Based on the outcome of the evaluation, the Board and its committees agreed to implement the suggestions made by the Directors.

13.5 Familiarisation Programme for Independent Directors

The details of the induction and familiarisation programme are explained in the Report on Corporate Governance and are also available on the Company's website i.e. www.kecrpg.com under 'Investors' tab.

13.6 Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel

The Board of Directors has adopted a Nomination and Remuneration Policy in terms of the provisions of sub-section (3) of Section 178 of the Act and SEBI Listing Regulations dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

The policy covers criteria for determining qualifications, positive attributes, independence and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The said Policy is annexed to this Report as *Annexure 'A'* and is also available on the Company's website i.e. www.kecrpg.com under 'Investors' tab.

13.7 Meetings of the Board of Directors

During the year under review, the Board of Directors met five times. The details are given in the Corporate Governance Report which forms a part of the Annual Report.

13.8 Meetings of the Audit Committee

During the year under review, the Audit Committee met eight times. The details of the meetings, composition and terms of reference of the Committee are given in the Corporate Governance Report which forms a part of the Annual Report.

14. AUDITORS

14.1 Statutory Auditors

Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm's Registration No. 012754N/N500016) ("PwC"), were appointed as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the Twelfth Annual General Meeting until the conclusion of the Seventeenth Annual General Meeting. The requirement of seeking ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting has been done away effective

May 07, 2018 by amendment to the provisions of the Act by the Ministry of Corporate Affairs and accordingly PwC continue to hold the office of Statutory Auditors for FY 2021-22.

The Statutory Auditors' Report for the FY 2020-21 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Company under sub-section (12) of Section 143 of the Act.

14.2 Branch Auditors

In terms of provisions of sub-section (8) of Section 143 of the Act read with Rule 12 of the Companies (Audit and Auditors) Rules, 2014, the audit of the accounts of the branch offices of the Company located outside India is required to be conducted by the person(s) or firm(s) qualified to act as Branch Auditors in accordance with laws of that country. The Board of Directors seek approval of the Members to authorise the Board of Directors/Audit Committee to appoint Auditors for the branch offices of the Company and also to fix their remuneration. The Board of Directors recommends to the Members the resolution, as stated in Item No. 4 of the Notice convening the ensuing Annual General Meeting.

14.3 Cost Auditors

In terms of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to maintain cost records in respect of its steel and cables manufacturing facilities in India and have the audit of its cost records by a qualified Cost Accountant.

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of M/s. Kirit Mehta and Co., Cost Accountants (Firm's Registration No.: 000353) as the Cost Auditors for the FY 2021-22 and recommends their remuneration to the Members for their ratification at the ensuing Annual General Meeting.

The Cost Auditors' Report of FY 2019-20 did not contain any qualifications, reservations, adverse remarks or disclaimers and no frauds were reported by the Cost Auditors to the Company under sub-section (12) of Section 143 of the Act. The said Cost Audit Report was filed with the Ministry of Corporate Affairs on September 03, 2020.

14.4 Secretarial Auditors

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Parikh Parekh & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the FY 2020-21. The Secretarial Audit Report in Form MR-3 is annexed to this Report as *Annexure 'B'*. The said Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks and no frauds were reported by the Secretarial Auditors to the Company under sub-section (12) of Section 143 of the Act.

15. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility ("CSR") Committee of the Directors *inter alia* gives strategic direction to the CSR initiatives, formulates and reviews annual CSR plans and programmes, formulates annual budget for the CSR programmes and monitors the progress on various CSR activities. Details of the composition of the CSR Committee have been disclosed separately as part of the Corporate Governance Report.

The CSR Policy of the Company adopted in accordance with Schedule VII of the Act, outlines various CSR activities to be undertaken by the Company in the areas of promoting education, enhancing vocational skills, promoting healthcare including preventive healthcare, community development, heritage conservation and revival, etc. The CSR policy of the Company is available on the Company's website i.e. www.kecrpg.com under 'Investors' tab.

During the year under the review, the Company's CSR initiatives included COVID-19 related relief in multiple locations apart from its ongoing CSR programmes in terms of the Annual Action Plan of the Company. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, is annexed to this Report as *Annexure 'C'*.

16. POLICY ON CODE OF CONDUCT & ETHICS AND SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has adopted the RPG Code of Corporate Governance & Ethics ("RPG Code") which is applicable to all the Directors and employees of the Company. The Code provides for the matters related to governance, compliance, ethics and other matters. The Code lays emphasis amongst others that all the activities and business conducted are free from the influence of corruption and bribery in line with the anti-corruption and anti-bribery laws. The Corporate Governance & Ethics Committee (CGEC) oversight the ethical issues and act as a central body to monitor the compliance of the Code. To raise awareness of the Code amongst employees, the Company conducts regular awareness workshops right from the induction stage to periodic courses on mandatory basis for all the employees.

In accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a Policy on Prevention of Sexual Harassment at Workplace ("the Policy") to ensure prevention, prohibition and redressal of sexual harassment at workplace. The Policy has been formed to prohibit, prevent and deter the commission of the acts of sexual harassment at workplace and to provide the procedure for redressal of complaints pertaining to sexual harassment. The Company provides an equal employment opportunity and is committed for creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy and the Policy is gender neutral. During the year under review, no complaints of any nature were received.

17. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism, as envisaged under the provisions of sub-section (9) of Section 177 of the Act, the Rules framed thereunder and Regulation 22 of SEBI Listing Regulations for the directors and its employees to raise their concerns or observations without fear, or report instances of any unethical or unacceptable business practice or event of misconduct/unethical behavior, actual or suspected fraud and violation of RPG Code etc.

The Policy provides for protecting confidentiality of those reporting violation(s) and restricts any discriminatory practices against them. The Policy also provides for adequate safeguards and protection against victimization of persons who avail such mechanism. To encourage employees to report any concerns and to maintain anonymity the Policy provides direct access for grievances or concerns to be reported to the Corporate Governance and Ethics Committee (CGEC), a Committee constituted for the administration and governance of the Policy. The Policy also facilitates direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The Policy can be accessed on the Company's website i.e. www.kecrpg.com under 'Investors' tab.

18. RISK MANAGEMENT POLICY

The Company is engaged in Engineering, Procurement and Construction ("EPC") business and is exposed to various risks in the areas it operates. The Company has a well-defined risk management framework in place which works at various levels across the enterprise. The risk management mechanism forms an integral part of the business planning and review cycle of the Company and it is designed to provide reasonable assurances that goals are achieved by integrating management control into daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures. The identification, analysis and putting in place the process for mitigation of these risks is an ongoing process. The Company has a mechanism in place to inform the Risk Management Committee and Board members about risk assessment, minimization procedures and periodical review thereof.

The Risk Management Committee of Directors constituted by the Board *inter alia* reviews Enterprise Risk Management functions of the Company and is responsible for framing, implementing, monitoring and reviewing Risk Management framework of the Company. The Committee on periodical basis, validates, evaluates and monitors key risks and reviews the measures taken for risk management and mitigation and effectiveness thereof. The key business risks faced by the Company and the various measures taken by the Company are detailed in Management Discussion and Analysis section.

19. INTERNAL FINANCIAL CONTROL

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis section.

20. RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and at arm's length basis. The Audit Committee grants an omnibus approval for the transactions that are in the ordinary course of the business and repetitive in nature. For other transactions, the Company obtains specific approval of the Audit Committee before entering into any such transactions. A statement giving details of all Related Party Transactions are placed before the Audit Committee on a quarterly basis for its review. Disclosure as required under Indian Accounting Standards ("IND AS") - 24 have been made in the Note No. 54 to the Standalone Financial Statements.

There are no materially significant related party transactions entered into by the Company with its Directors/Key Managerial Personnel or their respective relatives, the Company's Promoter(s), its subsidiaries/joint ventures/associates or any other related party, that may have a potential conflict with the interest of the Company at large. The Policy on related party transactions, as formulated by the Board is available on the Company's website i.e. www.kecrpg.com under 'Investors' tab.

21. ANNUAL RETURN

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company i.e. www.kecrpg.com under 'Investors' tab.

22. ENVIRONMENT HEALTH AND SAFETY (EHS)

The Company has undertaken various EHS management processes and implemented them under the EHS system, in line with the commitment to achieve its EHS objective of providing a safe workplace for its stakeholders. The Company is successfully leveraging modern technology and analytics to enable data driven decisions, improve safety, and ensure strict adherence to safety rules and procedures.

The Company continues to invest in imparting industry specific EHS training by leveraging cutting-edge technologies such as Virtual and Augmented Reality, and focus on risk-based safety and skill development to its employees and workmen, to ensure that all its stakeholders become more safety conscious and thereby improve the organization's approach towards prevention of loss.

During the year, the Company has bagged various EHS awards and appreciation from its prestigious customers and independent agencies. A separate section has been added to this Integrated Annual Report with details on EHS initiatives of the Company.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has strong commitment towards conservation of energy, natural resources and adoption of latest technology in its areas of operation. The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under clause (m) of sub-section (3) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed to this Report as *Annexure 'D'*.

24. PARTICULARS OF EMPLOYEES

In terms of the requirements of sub-section (12) of Section 197 of the Act read with sub-rule (1) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the disclosures pertaining to the remuneration and other details, are annexed to this Report as *Annexure 'E'*.

The statement containing names and other details of the employees as required under sub-section 12 of Section 197 of the Act read with sub-rules (2) & (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. In terms of sub-section (1) of Section 136 of the Act, the Annual Report is being sent to the Members and others entitled thereto, excluding the aforesaid information. The said information is open for inspection and any Member interested in obtaining a copy of the same may write to the Company.

25. HUMAN RESOURCE/INDUSTRIAL RELATIONS

The Company understands that people are its most valuable assets. The Company recognises its diverse employees as the primary source of its competitiveness and continues focus on their development through digital and bespoke interventions. The Company has developed a continuous learning human resource base to unleash potential and fulfill the aspirations of the employees. The strategic thrust of Human Resource has been on improvement of the performance of employees through training & development and also to identify outperformers who have the potential for taking higher responsibilities.

During the unprecedented crisis of the COVID-19 pandemic, the Company, keeping in mind the safety and well-being of employees, introduced a remote working policy and also instituted measures to help the emotional well-being of people. Through various online initiatives the Company also focused on capability development of its employees during the pandemic.

The employee relations remained cordial throughout the year. The Company (excluding subsidiaries) had 5,797 permanent employees on its rolls as on March 31, 2021. The Board places on record its sincere appreciation for the valuable contribution made by the employees across all levels whose enthusiasm, team efforts, devotion and sense of belonging has always made the Company proud.

26. INTEGRATED ANNUAL REPORT

The Company has voluntarily provided Integrated Annual Report for the financial year 2020-21, prepared as per IR Framework recommended by the International Integrated Reporting Council (IIRC) and the same is aimed at providing the Company's stakeholders a comprehensive depiction of the Company's financial and non-financial performance. The Report provides insights into the Company's key strategies, operating environment, risks and opportunities, governance framework and its approach towards long-term sustainable value creation across six capitals viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

27. OTHER DISCLOSURES

The Directors state that no disclosures or reporting is required in respect of the following items, as the same is either not applicable to the Company or relevant transactions/events have not taken place during the year under review:

a. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.

b. The Company has not issued shares (including sweat equity shares) to employees under any scheme.

c. There was no revision in the financial statements.

d. There has been no change in the nature of business of the Company as on the date of this Report.

e. The Managing Director & CEO of the Company did not receive any remuneration or commission from any of its subsidiaries.

f. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

g. There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

The Company has been in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, during the financial year.

28. ACKNOWLEDGEMENT

The Directors take this opportunity to thank the Central and State Government Departments, Organizations and Agencies for their continued support and co-operation. The Directors are also thankful to all valuable stakeholders viz., customers, vendors, suppliers, banks, financial institutions, joint venture partners and other business associates for their continued co-operation and excellent support provided to the Company during the year. The Directors acknowledge the unstinted commitment and valuable contribution of all employees of the Company.

The Directors also appreciate and value the trust reposed in them by Members of the Company.

29. ANNEXURES

The following annexures, form part of this Report:

a. Nomination and Remuneration Policy – *Annexure 'A'*

b. Secretarial Audit Report – *Annexure 'B'*

c. Annual Report on Corporate Social Responsibility – *Annexure 'C'*

d. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo – *Annexure 'D'*

e. Information under sub-rule (1) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Annexure *'E'*

For and on behalf of the Board of Directors

Harsh V. Goenka
Chairman
(DIN: 00026726)

Place: Mumbai
Date: May 11, 2021

ANNEXURE 'A' TO DIRECTORS' REPORT

Nomination and Remuneration Policy

1. INTRODUCTION

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP") and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, in order to pay equitable remuneration to Directors, KMP, SMP and other employees of the Company.

2. OBJECTIVE

The Policy sets out the guiding principles on:

i. Appointment and remuneration of the Directors, KMP and SMP;

ii. Determining qualifications, positive attributes and independence for appointment of a Director (Executive/ Non-Executive/Independent) and recommend to the Board a policy relating to the remuneration for the Directors, KMP and SMP;

iii. Formulating the criteria for performance evaluation of all Directors;

iv. Board diversity.

3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the Nomination and Remuneration Committee (NRC) on April 08, 2014 as per Companies Act, 2013.

4. DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

"Board" means Board of Directors of the Company.

"Company" means KEC International Limited.

"Directors" means Directors of the Company.

"Independent Director" (ID) means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder.

"Key Managerial Personnel" (KMP) means

1. Chief Executive Officer or the Managing Director or the Manager;
2. Whole-time Director(s);
3. Chief Financial Officer;
4. Company Secretary; and
5. Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board.

"Senior Management Personnel" (SMP) means officers/ personnel of the Company, who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/ Manager, in case they are not part of the Board) and shall include Company Secretary and Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. MATTERS TO BE DEALT WITH AND RECOMMENDED BY NRC TO THE BOARD

The following matters shall be dealt by the Committee:

a) Directors

Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the variety of skills, experience and expertise on the Board and who will best complement the Board.

b) Evaluation of performance

Making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of every Director's performance.

c) Familiarization

Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities.

d) Remuneration framework and policies

NRC is responsible for reviewing and making recommendations to the Board on the following:

i. The remuneration of MD/CEO, KMP and SMP.

ii. Remuneration of Non-Executive Directors and Chairman.

iii. Remuneration Policy for all employees including KMP and SMP which requires:

a. Attract and motivate talent to accomplish Company's long term growth.

b. Demonstrate a clear link between executive compensation and performance.

6. BOARD DIVERSITY

NRC shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge and perspective in the Board.

7. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP

A. Appointment criteria and qualifications

NRC shall identify a person and criteria for the qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/her appointment.

B. Term/Tenure

1. **Managing Director/CEO**

Term of appointment or re-appointment of Managing Director or CEO not to exceed five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director**

An Independent Director shall hold office on the Board of the Company for a term as may be determined by the Board but in any case not exceeding five years and shall not hold office for more than two consecutive terms.

C. Retirement

The Director, KMP and SMP shall retire as per the provisions of the applicable Act, and the prevailing policy of the Company. On the recommendation of the NRC, the Board if it considers to be in the Company's interest, shall have the discretion to retain Director, KMP and SMP even after attaining the retirement age.

D. Removal

In case any Director or KMP or SMP incurs any disqualification as provided under the Act or Rules made thereunder or is in breach of Code of Governance and Ethics adopted by the Company, the NRC may recommend to the Board removal of such Director or KMP or SMP.

8. POLICY FOR REMUNERATION TO MD/CEO, NEDs, KMP & SMP

MD/CEO

i. The remuneration to be paid to the MD/CEO at the time of his/her appointment shall be recommended by the NRC and approved by the Board of Directors and the shareholders of the Company.

ii. Annual increment/subsequent variation in remuneration to the MD/CEO shall be approved by the NRC/Board of Directors, within the overall limits approved by the shareholders of the Company.

NEDs

i. NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the Meeting of the Board and sub Committees of the Board.

ii. Commission as may be recommended by NRC and subsequently approved by the Board of Directors and wherever required approval of the shareholders of the Company shall be obtained.

iii. The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

KMP & SMP

i. The remuneration to be paid to the KMP and SMP, at the time of his/her appointment shall be recommended by the NRC and approved by the Board considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions. The remuneration may be combination of fixed and variable pay.

ii. Annual increment/subsequent variation in remuneration to the KMP/SMP shall be approved by the NRC/Board of Directors.

9. DIRECTOR AND OFFICER LIABILITY INSURANCE

Where Insurance Policy is taken by the Company for its Directors, KMP, SMP and employees indemnifying them against any liability, the premium paid by the Company for such insurance cover shall not be treated as part of the remuneration payable to such personnel. However, if such person is proved to be guilty, the premium paid on such insurance shall be recovered from such persons.

10. GENERAL

This policy is framed based on the provisions of the Companies Act, 2013 and Rules framed thereunder and the requirements of Listing Regulations, as amended from time to time. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other Regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

ANNEXURE 'B' TO DIRECTORS' REPORT

Secretarial Audit Report

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
(Pursuant to Section 204 (1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
KEC International Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KEC International Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company, namely:

   1. The Electricity Act, 2003

   2. The Indian Electricity Rules, 1956

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

In the case of Corporate Social Responsibility ("CSR"), the Company has spent directly and through RPG Foundation ('Implementation Agency') an amount of ₹ 7.54 Crore out of the amount of ₹ 11.81 Crore to be spent during the year. The unspent

amount of ₹ 4.27 Crore during the year pertaining to ongoing projects has been transferred to the unspent CSR account of the Company in accordance with the provisions of the Act.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at short notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. The Company has redeemed 1,500 Non-convertible Debentures (Series I) aggregating to ₹ 150 Crore on April 20, 2020, being the due date for redemption. Further, the Company has repurchased 1,000 Non-convertible Debentures (Series II and III) aggregating to ₹ 100 Crore on June 23, 2020 and redeemed them before their respective due dates.

2. The Company has issued 38,600 units of Commercial Papers aggregating to ₹ 1,930 Crore during the year and Redeemed 28,600 units of Commercial Papers aggregating to ₹ 1,530 Crore.

For Parikh Parekh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327C000272258

Place: Mumbai
Date : May 11, 2021

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members
KEC International Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327C000272258

Place: Mumbai
Date : May 11, 2021

ANNEXURE 'C' TO DIRECTORS' REPORT

Annual Report on CSR Activities for the Financial Year 2020-21

1. **Brief outline on CSR Policy of the Company:**

   As a responsible business corporation, KEC takes pride in implementing CSR activities to address key societal needs, both in the communities we operate in and the society at large. Our CSR activities are aligned with the Sustainable Development Goals (SDGs) established by the United Nations and we are working towards influencing micro and macro level development indicators in our target geographies.

   Our purpose is to support communities to lead purposeful, happy & dignified lives, thereby driving "holistic empowerment" and overall well-being of the community. Our vision is to bring about a long-term sustainable change in the lives of less privileged through implementation of initiatives that have a clear societal impact and to contribute to the growth and development of the country.

   KEC's CSR initiatives are implemented directly and/or through the RPG Foundation for the purposes of accessing expertise/ enhancing resources and for support in project implementation. RPG Foundation is registered with Ministry of Corporate Affairs and also under Section-12A and 80G of Income Tax Act, 1961.

   All CSR initiatives undertaken are compliant with the thematic areas included in the Schedule VII of the Companies Act, 2013.

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ramesh Chandak, Chairman	Independent Director	2	2
2.	Mr. S. M. Trehan, Member	Independent Director	2	2
3.	Mr. A. T. Vaswani, Member	Independent Director	2	2

3. **Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:**

   https://www.kecrpg.com/corporate-governance-csr.

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

   Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NIL	

6. **Average net profit of the company as per section 135(5):** ₹ 590.62 Crore

7. (a) **Two percent of average net profit of the company as per section 135(5):** ₹ 11.81 Crore

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL

   (c) **Amount required to be set off for the financial year, if any:** NIL

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 11.81 Crore

8. (a) **CSR amount spent or unspent for the financial year:**

(₹ in Crore)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7.54	4.27	April 23, 2021 & April 29, 2021	Not Applicable	NIL	Not Applicable

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(₹ in Crore)

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project: State	(5) Location of the project: District	(6) Project duration	(7) Amount allocated for the project	(8) Amount spent in the current financial Year	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency: Name	(11) CSR Registration number
1.	• Pehlay Akshar Schooling 20-21 • Pehlay Akshar Teachers Training 20-21	Promoting education	Yes	Maharashtra	Mumbai Nagpur	2 years*	1.61	1.53	0.08	No	RPG Foundation	CSR00000030
2.	Vocational skill training: • Swayam Health 20-21 • Swayam Drive 20-21 • Swayam Digital 20-21 • Swayam Construction 20-21 • Swayam Skills 20-21 • Swayam Connect 20-21	Employment enhancing vocational skills	Yes	Maharashtra Rajasthan Madhya Pradesh Gujarat Haryana Maharashtra Karnataka	Nagpur Jaipur Jabalpur Vadodara Gurugram Aurangabad Mysuru	2 years*	6.37	2.96	3.41	No	RPG Foundation	CSR00000030
3.	• Revival & restoration of Banganga 20-21 • UNESCO World Heritage Site signage project 20-21 • Walking App and Digital Archives 20-21	Protection & restoration of National Heritage	Yes	Maharashtra	Mumbai	2 years *	1.61	0.83	0.78	No	RPG Foundation	CSR00000030
	Total						**9.59**	**5.32**	**4.27**			

** The years mentioned include the financial year 2020-21 in which the project has commenced.*

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(₹ in Crore)

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project: State	(5) Location of the project: District	(6) Amount spent for the project	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency: Name	(8) CSR Registration number
1.	COVID Response 20-21	Promoting healthcare including preventive healthcare and Disaster management	Yes	Maharashtra Maharashtra Rajasthan Madhya Pradesh	Mumbai Nagpur Jaipur Jabalpur	1.08	No	RPG Foundation	CSR00000030
			Yes	Maharashtra Maharashtra Rajasthan Madhya Pradesh Gujarat Karnataka	Mumbai Nagpur Jaipur Jabalpur Vadodara Mysuru	1.14	Yes	Not Applicable	
	Total					**2.22**			

(d) Amount spent in Administrative Overheads: Not Applicable

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 7.54 Crore

(g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	11.81
(ii)	Total amount spent for the Financial Year	7.54
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9 (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in Crore)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in Crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed/ Ongoing
Not Applicable								

***Note:** ₹ 1.83 Crore which remained unspent by RPG Foundation as at the end of FY 2019-20, due to outbreak of COVID-19 pandemic were spent during the current FY 2020-21.*

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired: (including complete address and location of the capital asset) Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):

During the financial year 2020-21, the Company has spent ₹ 7.54 Crore on various CSR projects and transferred ₹ 4.27 Crore related to ongoing CSR projects to the Unspent CSR account pursuant to the provisions of the Act.

Vimal Kejriwal
Managing Director & CEO
(DIN:00026981)

Ramesh Chandak
Director & Chairman of the CSR Committee
(DIN:00026581)

Place: Mumbai
Date: May 10, 2021

ANNEXURE 'D' TO DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo (In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014).

(A) CONSERVATION OF ENERGY

During the financial year under review, following specific actions were taken by the Company at its various locations, which resulted in saving of energy consumption:

1. Installation of LED Lights in the plants and surrounding area alongwith deployment of light sensing devices for auto switching on-off at various locations resulting in saving of energy.
2. With continuous monitoring, maintained power factor and maximum demand average of electricity which resulted in energy conservation.
3. Continuous monitoring & optimization of power intensive utilities like air compressors, water pumps & chillers, HVAC systems.
4. Use of Wind and Solar power to reduce carbon footprint.
5. Installation of Smart Bending Furnaces resulted in saving of fuel and energy consumption.
6. Installation of timers on manual machines resulted in saving of energy during production idle time.
7. Replacement of old motors with energy efficient motors.
8. Change of bearing of motors resulting in energy saving.
9. Reduction in air leakages by optimization of compressed air pressure.

(B) TECHNOLOGY ABSORPTION

Research & Development ("R&D")

I. Specific areas in which R&D is carried out by the Company

Low cost automation across various factories including redesigning of various production process.

II. Benefits derived as a result of the above R&D

The R&D efforts have resulted in power cost saving for the Company.

III. Information regarding imported technology (imported during the last 3 years reckoned from the beginning of the financial year) is furnished

i. Technology imported: No technology has been imported in the last 3 years

ii. Year of import: Not Applicable

iii. Has the technology been fully absorbed? Not Applicable

iv. If not fully absorbed, areas where this has not taken place, reasons hereof and future plans of action: Not Applicable

IV. Expenditure on R&D

i. Capital: Nil

ii. Recurring: ₹ 23.93 Crore

iii. Total: ₹ 23.93 Crore

iv. Total R&D expenditure as a percentage of total turnover is 0.18 percent.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Following are the details of total foreign exchange earned and used during the last financial year:

(₹ in Crore)

Particulars	FY 2020-21	FY 2019-20
Foreign exchange earned	4,016.35	4,533.32
Foreign exchange used	2,743.35	2,593.40

ANNEXURE 'E' TO DIRECTORS' REPORT

Information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

	Ratio of the remuneration of each Director to the median remuneration of the employees in FY 2020-21	Increase in remuneration in FY 2020-21 (%)
Mr. Harsh V. Goenka	122.10	34.62
Mr. Vimal Kejriwal	103.64	5.63
Mr. A. T. Vaswani	3.28	26.04
Mr. Dilip G. Piramal	2.45	21.43
Mr. G. L. Mirchandani	2.45	21.43
Ms. Nirupama Rao	2.45	30.77
Mr. Ramesh Chandak	3.39	24.93
Mr. S. M. Trehan	3.39	30.11
Mr. Vikram Gandhi[(1)]	2.02	-
Mr. M. S. Unnikrishnan[(1)]	2.45	-
Mr. Rajeev Aggarwal, Chief Financial Officer	-	5.87
Mr. Amit Kumar Gupta Company Secretary	-	6.09
The percentage increase in the median remuneration of employees in the financial year	5.71 percent	
The number of permanent employees on the rolls of Company (excluding subsidiaries)	5,797 (as on March 31, 2021)	
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in salaries of employees during the year 2020-21 was 5.30 percent as against an increase of 5.63 percent in the salary of the Managing Director & CEO (managerial personnel as defined under the Act). The increment given to each individual employee is based on the employees' potential, experience, performance and contribution to the Company's growth over a period of time and also benchmarked against Industry standard. The percentile increase in managerial remuneration was higher in comparison with percentile increase of other employees. Under the leadership of Managing Director & CEO, the Company has achieved improvement in its overall performance.	
Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that remuneration to employees of the Company is as per the remuneration policy of the Company.	

Note:

1. *Since the remuneration is only for part of the year in previous year, the ratio of percentage increase in remuneration is not comparable and hence, not mentioned.*

MANAGEMENT DISCUSSION & ANALYSIS

Tunnel Electrification for Shindvane-Jejuri section of Pune-Satara Railway Electrification Project

GLOBAL ECONOMY

FY21 was unprecedented as COVID-19 pandemic has affected every individual, industry, country as well as the global economy. The pandemic disrupted global supply chains, business models, financial ecosystems, and led to a long-lasting change in employee and consumer sentiments. The infrastructure industry suffered as construction came to a grinding halt amidst lockdowns, investments were postponed, and labour migrated from the project sites to their homeland. As per IMF estimates, the global economy likely contracted by 3.3% in 2020.

As the world adapted to a new normal post the pandemic-led recession, availability of vaccines raised hopes of survival and improved economic outlook. Governments, across the world, responded with accommodative monetary policies and used the budget promptly to announce USD 16 trillion in fiscal actions. Within advanced economies, the U.S. economic activity is expected to reach pre-COVID levels in the first half of 2021, followed by Japan and the U.K. In the MENA region, countries that started vaccination drives early (like the GCC nations) are expected to have better growth prospects compared to conflict-affected and fragile states. In LatAm, export-driven countries may likely benefit from the rebound in global manufacturing. Sub-Saharan Africa region's activity is expected to pick up pace in the second half of 2021 as vaccine availability increases. China, with its accelerating growth, leads the pack in Emerging Asia, while growth in the ASEAN region is expected to recover meaningfully with adequate policy support.

In line with the anticipated global economic recovery, commodity prices also increased steeply. Between August 2020 and February 2021, oil prices increased around 39% on the positive sentiment of vaccine roll-outs and economic recovery in Asia steered by China. Similarly, base metal prices increased by 30% in the same period, driven by the robust pickup in industrial production in China and some advanced economies and optimism about U.S. fiscal stimulus. The IMF expects the commodities to remain high for some time before the prices normalise.

The IMF expects global growth to rebound to around 6% in 2021 even though uncertainties persist on the path to recovery. International policy cooperation, synchronised fiscal stimulus, favourable interest rates and liquidity support may result in faster than expected recovery.

INDIAN ECONOMY

In line with the global economy, India's economic trajectory was severely hit by the pandemic, as it affected the industry and service sector, paralysed consumption and led to inflation. Last year's strict lockdowns and critical healthcare support helped in limiting the COVID-19 spread. Timely fiscal and monetary stimulus provided a cushion to the economy that showed positive growth after two quarters of degrowth. However, just when the economy was getting back on track, the second wave of the virus hit India on a much larger scale. The trade-off between controlling the second wave and the continuation of economic activity had been challenging to balance. India's growth will depend upon the ability to contain the impact of the current and any subsequent waves of the pandemic.

During FY21, the rural economy has been resilient, helped by a good monsoon season. The projections of a normal monsoon in FY22 strengthen the rural outlook. In addition, the industry sector bounced back meaningfully in the second half of FY21 when the economy gradually opened, as most industries embraced innovative and digital ways of working.

The Government implemented an expansionary budget along with a slew of other measures to pump up the economy in FY21. COVID-related support measures alone accounted for as much as 13% of GDP. In addition, recently announced Production Linked Incentive (PLI) scheme, with a budgetary outlay of ₹ 1.9 lakh crore to promote manufacturing under Atmanirbhar Bharat, increasing FDI in insurance and defence along with the increased focus on road, railways, and urban infrastructure under NIP (National Infrastructure Pipeline) make way for solid economic development. On the monetary front, the RBI has reduced policy rates, announced various liquidity measures and provided additional support to MSMEs and NBFCs in order to boost the economy. India has also received robust foreign inflows on the expectations of strong post-pandemic recovery.

The Company hopes that the recovery will be as swift and wide, as witnessed during the first wave. Several factors work in favour of a potentially strong economic recovery in India:

I. **Higher government spending:** To support the economy, Government has front-loaded its expenditure in FY22 and maintained an expansionary fiscal budget target at 6.8% of GDP.

II. **Prudent monetary support:** The RBI aims at maintaining an accommodative stance and providing ample liquidity support to help the economy recover faster.

III. **Robust FX reserves:** Amidst the global uncertainty and volatility across markets, the RBI managed to accumulate strong levels of FX reserves, providing sufficient buffer to cover imports of over a year.

IV. **Lower current account deficit:** Helped by lower import growth and stable exports growth, India's current account deficit has narrowed significantly.

V. **Stable rupee:** The rupee has outperformed most emerging markets and has been relatively stable throughout the pandemic.

CONSTRUCTION SECTOR OVERVIEW

The global construction market is estimated to decline from USD 11.2 trillion to USD 10.6 trillion, a decline of more than 5% induced by COVID-19. The industry was impacted by factors ranging from lockdowns, reverse migration of labour, logistics bottleneck, volatile commodity prices, shortage of construction material, etc. It is expected that the industry will grow back to USD 11.5 trillion in 2021 on the back of economic recovery and large stimulus plans announced across countries.

The construction industry plays a unique role in reviving economies and driving growth. Public spending on infrastructure development stimulates the demand as well as supply, boost economic well-being by creating jobs at the grassroots, and can be targeted towards the most impacted areas. The benefits of investments in infrastructure are not only realised in the short-term, but the dividends can be reaped in the long-term as robust infrastructure creates a virtuous circle of investments. It spurs growth in the industries such as Metals and Mining, Materials, Logistics, Transportation, Commercial Vehicles, Heavy Equipment, Real Estate, Food, etc.

In India, more than 50 million people are employed in the construction sector and the sector accounts for an average share of 7.7% in GVA over the last five years. Considering the impact of the pandemic, the Government of India has made its intentions clear that construction investments will gain priority due to its impact on improving the nation's productivity, driving job growth with increased labour participation and a high multiplier effect on the overall economic output. Towards this, the Centre laid a strong focus on construction and capex-led economic recovery in the Union Budget 2021-22, through a ~34% increase in the FY22 infrastructure capex budget. The National Infrastructure Pipeline, with an outlay of ₹ 111 lakh crore, promises significant opportunities for KEC, with large investments in sectors such as power, railways, residential and affordable housing, urban infrastructure, smart infrastructure, airports, and water.

Apart from these planned investments, the Government's push to promote and fast track development through necessary policy reforms is also a shot in the arm. Setting up of a new Development Finance Institution (DFI) to act as a provider, enabler and catalyst for infrastructure financing is further expected to provide a fillip to the domestic construction sector. A few other steps taken in this direction include allowing 100% FDI in select sub-segments, tax exemptions, swifter clearances and improved coordination between Centre and States through nodal agencies.

Through planned investments and new reforms, it is expected that the industry will play a crucial role in helping the economy to come out from the COVID-19-induced slowdown, lead India onto a new growth trajectory, and realise the goal of building a USD 5 trillion economy. The long-term outlook of the construction sector remains strong even though the current high levels of commodity prices pose a risk to the industry in the short term.

BUSINESS SCENARIO AND INDUSTRY OUTLOOK & OPPORTUNITIES

POWER TRANSMISSION & DISTRIBUTION BUSINESS

Overview

KEC is a global EPC major in the Power Transmission & Distribution (T&D) industry and offers integrated solutions ranging from design, manufacturing, supply, installation, and commissioning of Transmission Lines, Substations and Underground Cabling in both domestic and international markets.

With a footprint in 70+ countries, KEC's T&D business spread across Asia (South Asia, Middle East, South East Asia, Central Asia), Africa, the Americas, Oceania and Europe, is the largest segment of the Company, contributing over 55% to both, overall revenue as well as order book.

The Company is one of the largest globally operating tower manufacturing companies, with six state-of-the-art tower manufacturing units spread across India, Brazil, Mexico, and UAE, supplying over 3.6 lakh tonnes of tower components annually. It is also among the few companies to own and operate four tower testing stations spread across India and the Americas.

During the year, the Company has successfully commissioned and commenced despatches from its sixth tower manufacturing unit in Dubai, which was acquired in FY20 to enhance KEC's competitiveness and provide a strategic foothold to serve the high growth markets in MENA and other regions.

With robust and well-integrated capabilities spanning the entire spectrum of 'concept to commissioning', the Company has set a benchmark in the industry with its ahead of schedule deliveries, enabled by world-class engineering and design capabilities, global supply chain and deployment of the latest mechanisation and digital technologies.

The Company's region-wise outlook and opportunities are highlighted below:

I) South Asia business (India and SAARC)

During the year, the Company continued its growth momentum despite a challenging environment. The Company also successfully secured significant orders in South Asia T&D business.

The Company witnessed an uptick in the Transmission line and Substation tenders, highlighting the importance of the sector in driving growth and prosperity. The Company secured several orders from Power Grid Corporation of India Limited (PGCIL), state utilities, as well as private operators in India. The business bagged Tariff Based Competitive Bidding (TBCB) orders of close to ₹ 1,500 crore in Green Energy Corridor from PGCIL in Rajasthan, further boosting its order book. The Company continues to maintain a strong presence across several states such as Bihar, Karnataka, Tamil Nadu, and West Bengal and is targeting entry into a few more states with a proven track record for timely completion of projects and secured payments.

The Company continues to grow and fortify its leadership position in the SAARC market. The Company is executing over 20 projects in the region and has an order book of over ₹ 2,200 crore. In line with the strategy, the Company has diversified its presence in the region by securing its first substation order in Sri Lanka and a significant order in Afghanistan. Apart from the traditional T&D projects, the Company is also targeting entry into underground cabling and renewable energy projects in SAARC, on its own or through strategic partnerships.

The business successfully delivered 19 Transmission and Distribution projects in FY21. Some of the key projects commissioned include the 400 kV Pugalur-Arasur

400/220 kV Devanahalli Substation in Bangalore, Karnataka

Transmission Line in Tamil Nadu (part of PGCIL's prestigious 800 kV Raigarh-Pugalur HVDC project), 765 kV Fatehgarh-Bhadla Transmission Line, 400 kV Pavagada-Devanhalli Transmission Line and 400 kV Devanhalli Substation, 400 kV Silchar and Misa Substations in Assam for the North Eastern Region Strengthening Scheme-II and 400 kV Banaskantha Substation in Gujarat, amongst others. The Company also received multiple client appreciations for the quality of execution and adoption of excellent EHS practices, especially for controlling the spread of COVID-19 at the project sites.

The Company has significantly enhanced its focus on mechanisation and digitalisation initiatives across project sites to increase productivity and to recoup time lost due to the lockdown. Cutting-edge solutions in areas such as execution (use of Drones for surveys and stringing, Gin Poles, High Capacity Boom Cranes, sophisticated concreting machinery, etc.), safety (Mobility-enabled safety platform, training through Mixed Reality platforms), workforce management (enhance workforce visibility, compliance and safety) and quality (virtual inspection using technology) have substantially enhanced operational efficiency by improving productivity and reducing time and costs across projects.

With a healthy order book of over ₹ 6,000 crore, the Company is well poised to sustain its leadership position in the South Asian market.

Region-Wise Outlook & Opportunities

a. India

In FY21, India added 12 GW of power generation capacity, taking the country's total installed power generation capacity to 382 GW. The addition is 25% lower as compared to FY20, when India had added 15.8 GW of capacity. Notwithstanding the subdued growth, India's energy demand is all set to increase substantially and is expected to overtake the European Union as the world's third-largest energy consumer by 2030.

Significant focus on urbanisation through Government schemes in areas such as housing, roads, urban transport and water supply and driving industrial growth through 'Make In India' and 'Atmanirbhar Bharat' will ensure sizeable investments in the power sector. As per the 19th Electric Power Survey, India's generation capacity is likely to touch 619 GW by the end of 2026-27. Development of high voltage transmission lines and substation infrastructure will thus need to keep pace with the generation capacity. Other factors that will drive growth in the T&D sector are the need for setting-up of inter-regional grid capacity to ensure seamless flow of power from one region to another, evacuation infrastructure for renewables and cross-border interconnections with SAARC countries. (Source: CEA, International Energy Agency (IEA))

The ₹ 111 lakh crore National Infrastructure Pipeline (NIP) has allocated 24% of its capex, the highest portion, for energy infrastructure. The Union Budget 2021 has earmarked ₹ 3.05 lakh crore spread over five years to develop the power sector. With the ongoing setup of cross-country national grid, huge investments are being planned by states to improve connectivity, reliability, and affordability. The Company is expecting an increase in large-sized transmission line as well as substation tenders and is focussing on enhancing its footprint across states on a selective basis.

400 kV Barh-Motihari-Gorakhpur Transmission Line, Bihar

The country's renewable energy capacity is expected to increase from the current levels of about 100 GW to over 275 GW by FY27. The aggressive renewable expansion plan requires significant development in the Transmission sector to enable the flow of renewable energy into the National Grid Network. The Government of India's focus to increase capacity of Green Energy Corridor (GEC) projects is a step in the right direction. The Company is currently executing several transmission line and substation projects under this GEC initiative in Gujarat and Rajasthan.

Rising private sector participation with favourable risk-return profile of power transmission projects will continue to support growth in the transmission sector, in a climate of stretched government finances and liquidity constraints. The central government continues to award a significant chunk of new projects through the TBCB route, driving participation and ownership from private players. Similarly, several states are also planning to adopt this route for their upcoming projects. Implementation of such projects places high importance to ahead of time delivery, quality, cost and safety parameters. KEC, with its mature processes, global supply chain, deep engineering and execution capabilities, cost competitiveness and a proven track record for ahead of schedule deliveries, is well placed to deliver growth in this area.

As the demand to build technologically-advanced substations increase, the Company expects that the share of investments in substations will continue to rise to about 40-45% of the total investments in the sector, especially towards GIS technology. In line with this, the Company has built deep expertise and forged strategic partnerships to capture a large share of this growing market.

The sector continues to transform and undergo radical changes and paradigm shifts. Advanced technologies for bulk power transmission and High Capacity Power Transmission Corridors (HCPTCs) are being developed. Monopoles, Narrow Base Towers and innovative conductor technologies such as HTLS and Covered Conductors etc., are playing a crucial role in resolving issues related to Right of Way (RoW). Advanced technologies such as Static Synchronous Compensator (STATCOMs) are being embarked upon in substation projects. The Company is investing in building technological capabilities and strategic partnerships with leading technology players in this area.

b. SAARC

The SAARC region has been a key growth driver for the Company and has been offering significant business opportunities consistently. The Company has achieved a healthy 33% revenue CAGR in the last four years. Even though the COVID-19 pandemic has delayed planned projects across several countries, there is continued interest of multilateral funding agencies to finance power infrastructure projects in the region.

Bangladesh continues to drive the SAARC market on the back of its expanding economy and industrial growth, leading to an increase in electricity demand. Between FY 2020-25, the country plans to add about 22 GW to its power generation capacity, 22,238 ckt km of transmission lines and 1,13,162 MVA substation capacity to provide quality and reliable electricity across the country. Major schemes under progress include the Dhaka-Chittagong Corridor and Rooppur Nuclear Power Plant Evacuation System, which shall further strengthen the power sector in the country. The Government also envisages that ~35% of the country's power generation will be procured from renewable energy sources or clean power imports by 2041. The expected investment over the next 10 years in the power sector amounts to USD 80 billion, with 15-20% being in T&D. (Source: Bangladesh Power Development Board Annual Report FY20)

Nepal is emerging as another prominent market in SAARC, with planned capacity addition of 4.6 GW by 2025. About 4,300 km of transmission lines and 59 substations are expected to be built by 2035 in the country. Indo-Nepal Cross Border Transmission lines along with the Millennium Challenge Corporation (MCC) funded transmission lines and substations open up multiple opportunities for the Company.

Afghanistan government has planned construction of nearly 1,500 km of transmission lines and 34 substations between FY 2020-25. However, the business forecast and forthcoming projects have a high degree of sensitivity to the volatile security situation of the country. In addition to deploying elaborate security SOPs, the Company has sharp focus on ground conditions and continues to regularly engage with the Government authorities to allay security concerns and ensure smooth operations of the current projects.

Sri Lanka's annual demand for electricity is expected to increase by 4.9% over the next 20 years. The government has laid out plans to enhance its power generation capacity from 4,043 MW to 6,900 MW by 2025. This includes generation of close to 1,800 MW through renewable sources, as the country aims to achieve 100% electricity generation by renewable energy sources by 2030. Further, continued commitment of multilateral funding agencies to fund governments for various T&D projects, along with a USD 100 million Line of Credit by India for solar power development gives a positive outlook to the country.

The BBIN (Bangladesh, Bhutan, India, Nepal) initiative supported by South Asia Sub Regional Economic Cooperation (SASEC) as well as India's focus on inter-regional energy connectivity with these countries through power and transportation corridors open up significant T&D infrastructure opportunities for the region. It is expected that the SAARC T&D market will continue to grow and remain a key focus area for the Company in the coming years.

II) International Business

The Company strengthened its presence in the International T&D market by securing new orders of over ₹ 3,700 crore in FY21, a growth of ~4X over last year. These include large-sized orders in Oman and Mozambique in addition to orders in MENA, Africa, and the Americas.

Amidst strict COVID-19 restrictions in many countries, the Company delivered a decent performance backed by robust execution in the Middle East, Africa and the Americas. The Company's strategy to fortify the substation portfolio internationally continues to bear fruits with new substation orders of over ₹ 500 crore.

This year, KEC commissioned its sixth tower manufacturing facility, which was acquired in FY20 by the Company's wholly-owned subsidiary KEC Towers LLC. The timely acquisition of the 50,000 MTPA facility in Dubai is already proving beneficial for the Company, especially owing to the surging Middle East T&D market on the back of increased oil prices. The facility is enabling the Company to secure business from reputed utilities and private players in the Middle East and other regions, while increasing cost competitiveness due to fiscal and logistical benefits. The Company has created a strong foothold with multiple new orders in Oman aggregating to over ₹ 1,500 crore. With a pick-up in tendering activity across the region, the Company is confident to secure significant orders to maintain its leadership position.

220 kV Basantpur-Dhungesangu Transmission Line, Nepal

The Company further strengthened its footprint in the Rest of Africa (ROA) region and re-entered Uganda and Mozambique during the year. The Company maintained execution focus despite pandemic-related hurdles and commissioned Tanzania's first 400 kV substations at Dodoma and Singida, in addition to 132 kV transmission lines and an associated substation in Zambia. The Company also made significant progress in fortifying transmission networks of countries such as Senegal, Ghana and Ivory Coast through several transmission lines and substations.

The Company continues to bolster its presence in South East Asia and has secured multiple AIS and GIS substation projects in Thailand and Malaysia. In a significant achievement demonstrating execution excellence, the Company has commissioned the 500 kV Pluak Daeng Substation project in Thailand four months ahead of schedule, earning appreciation from the client. The project involved erection of the country's largest substation gantries and integration of the newly constructed substation with existing systems. The Company's projects in Papua New Guinea and Nicaragua are progressing well despite RoW issues and execution challenges.

SAE Towers, the Company's wholly-owned subsidiary in the Americas has added three new EPC projects to its portfolio this year, including its first substation EPC order in Brazil. The business has faced considerable challenges in FY21 on account of COVID-19 and unavailability of steel, resulting in delays and cost escalations on the projects. The business is currently executing six projects and 900 km of transmission lines in Brazil. Additionally, KEC is focussing on pivoting its SAE Mexico business from a manufacturing to an EPC driven company.

Region-Wise Outlook & Opportunities

a. Middle East and North Africa (MENA)

The power sector continues to grow throughout the MENA region, driven by demand from increasing population and the need to reduce dependence on an oil-based economy. The region is expected to add 88 GW of generation capacity, which translates to an overall investment of USD 142 billion in generation and a further USD 68 billion for transmission and distribution (T&D). A significant portion of this capacity is already under execution, driven by the UAE (19%), followed by Saudi Arabia (17%) and Egypt (16%) respectively.

A recent report on the impact of COVID-19 on the power sector states that compared to other energy sectors, the investment landscape in the power sector is relatively steady despite the pandemic and the sector will play a vital role in accelerating the post-pandemic recovery process. Planned investments in power transmission and distribution to strengthen the grid is expected to increase in the MENA region over the next five years, driven by the rise of renewables and focus on boosting regional interconnectivity.

In UAE, the government is pushing strongly to diversify its energy sources in the power mix, especially renewables and nuclear. As per the country's Energy Strategy 2050, it aims to double the contribution of clean energy in the total mix to 50% by 2050. The UAE is also planning to invest at least USD 16.2 billion to meet the expected additional 8 GW capacity requirement over the medium term. These factors are expected to drive the T&D infrastructure-related markets in the coming years.

Saudi Arabia has recently announced significant reforms in the electricity sector for long-term health and sustainability of the sector, in line with its goals for Vision 2030. A key focus area is to increase the Transmission and Distribution network security and reliability to enable effective integration of renewable energy and interconnection with neighbouring countries, which augurs well for the business. The government plans to invest around USD 9 billion to augment generation and T&D capacities in the Kingdom for its growing energy demand, expected to grow at 8-10% by 2024.

In Oman, demand for electricity is expected to increase from 7.7 GW in 2019 to 16 GW in 2030. The country announced significant investments to augment transmission lines and substation capacity to strengthen the country's grid. The Company successfully captured these new opportunities and secured three orders totalling over ₹ 1,500 crore in the country in FY21. The country also has a significant potential for renewable energy, as it possesses one of the world's highest solar energy densities.

400 kV Transmission Line Project, Abu Dhabi, UAE

North Africa too is expected to see a considerable investment in power generation, and transmission and distribution. In Egypt, demand for electricity will grow at a CAGR of 5.1% by 2023. Morocco is planning to implement electricity projects worth USD 2.6 billion under its new 2019-23 strategy to improve electricity access across the country. The country is also focussing on renewable energy development aided by multilateral funding institutions, further necessitating the investments in transmission networks. The Company is also expecting opportunities in countries like Algeria, Tunisia and Libya.

KEC will continue to maintain its focus in the region and aims to further increase its market share especially in UAE, Saudi Arabia, Oman and North African countries.

b. Africa (excluding North Africa)

Electricity remains unaffordable to a large part of the population in Africa and its access is limited by irregular distribution of transmission lines, limited interconnections and prevailing system adequacy issues in improving electrification. Planned efforts to provide access to modern energy services barely outpace population growth. Rapid growth, both in terms of economy and population, will have significant implications for the energy sector in the region.

Despite COVID-19 hurdles, the Company has seen an increase in tendering activities in FY21 post relaxation of COVID-19 lockdowns in countries such as Mozambique, Uganda, Guinea, Nigeria, and Mali. The Company has also been successful in securing significant orders from Mozambique and Uganda during the fiscal year. The Company is expecting the momentum to continue in large interconnected electricity transmission infrastructure projects, including Angola-Nambia project, Burundi-Rwanda project and Tanzania-Zambia project. Countries such as Senegal, Ethiopia, Kenya and Tanzania are also expected to see a pick-up in renewable energy capacity addition under hydro and geothermal power. The Company is also witnessing a growth in financing projects, which offers significant opportunities for large players such as KEC, in partnership with global funding agencies.

It is estimated that around USD 80 billion will be invested in Africa by 2040 to build the transmission infrastructure to absorb current and planned power generation capacities. This amounts to an opportunity of USD 3-4 billion per annum for transmission network expansion.

Africa will continue to be a key growth driver, as the Company continues to build the region's transmission and distribution network.

225 kV Transmission Line, Ivory Coast

c. South East Asia

In terms of electricity demand, South East Asia is one of the fastest-growing regions globally, where demand has grown by more than 6% annually over the past 20 years on average. The region has close to 20 GW of new generation capacity under construction. Greater emphasis is also being placed on expansion of renewables and natural gas, in addition to regional interconnection and trade. (Source: IEA)

Malaysia's economic development and population growth have resulted in a substantially higher electricity demand during the past decade. The country plans to add about 29 GW of generation capacity from 2018-2025 along with corresponding investments in domestic and regional grid networks. There is also an increasing thrust on expanding the country's renewable capacity to support power demand growth as well as to meet the national emissions target.

Thailand has witnessed an increase in electricity demand post July-August 2020, after a slowdown due to COVID-19 restrictions and lockdown. The government has announced significant stimulus and recovery measures, including an "Energy for All" policy, with a two-pronged approach – to counter the slowdown, and support the growth of renewable energy. The government believes that "energy transition towards energy security" is key to achieve a sustainable energy future and has committed to increase renewables concentration in Thailand's energy mix to 30% by 2037. The country's main energy utility, the Electricity Generating Authority of Thailand (EGAT) plans to achieve this by bringing together innovation and smart-integrated solutions to ensure energy security, innovate power solutions and grow regional cooperation and partnerships, especially with ASEAN countries. EGAT is expected to invest over USD 6 billion to strengthen the transmission infrastructure in Thailand over the next few years.

Other countries in the region have lined up significant investments to achieve 100% electrification in the coming years. KEC has built significant capabilities in this market and continues to strengthen its position in the region, especially in Malaysia and Thailand.

132kV Air Insulated Substation, Papua New Guinea

d. Central Asia

The Central Asia region is seeing a rise in demand for power. The region's focus has been on integrating electricity grids and upgrading transmission lines, which will reduce the frequency of power shortages. Several ambitious plans such as TUTAP cross-regional power interconnection projects connecting Central and South Asian countries, and the USAID Power Central Asia programme to assist Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan are in the pipeline to harness the region's electricity generation potential and increase opportunities of electricity trade between the regions. Additionally, Georgia is planning to expand its T&D network to implement four transmission lines projects in the country. These investments provide opportunities for KEC to expand its presence in the region.

e. North America

North America has outlined significant plans to upgrade the existing infrastructure, integrate new renewable and distributed energy resources, and respond to a rapidly changing energy mix. In March 2021, the US President has announced an ambitious USD 2 trillion infrastructure plan, out of which the Government proposes to spend USD 100 billion towards re-energising America's power infrastructure and upgrading the nation's electric transmission system. This is in line with the administration's plan to modernise the country's ageing electric grid and produce 100% carbon-free electricity by 2035. It has already identified more than 20 major transmission projects that are positioned to move from an advanced planning stage into construction. Several individual states in the U.S. have made commitments to invest greater in renewable energy sources to enhance transmission from areas rich in renewables to areas of high demand. Over 44,000 km of lines at 115 kV and above voltage levels are planned to be added to the North American power grid by 2027. (Source: Global Electricity Transmission Report 2018).

In Mexico, the government has announced infrastructure projects aimed at revitalising the country's economy and aiding the state-owned power utility Commission Federal de Electricidad's (CFE) strategy of increasing its generation capacity. The federal government and private industry plan to launch nine new projects in the electricity sector that will require total investments of USD 11.1 billion. The country plans to add 4.3 GW of generation capacity in the near term and make large-scale investments in transmission line capacity addition to construct around 20,000 circuit-km of line length during the 2019–32 period. Mexico currently generates 15% of its power from clean sources and aims to generate 35% by 2024 and 50% by 2050.

Utilities in Canada are expected to invest around CAD 4.5 billion annually over the next 4-5 years. There is a growing need to connect new renewable generation capacity and several cross-border projects between Canada and U.S., which is acting as a key enabler for the growth of electricity transmission in Canada.

These commitments are expected to boost demand for transmission structures and other products for SAE Mexico, apart from EPC opportunities in the region.

f. South America

The South American Transmission industry is undergoing a phase of regulatory changes to open the sector for private participation, promote renewable energy integration in power grids and encourage sectoral growth. These measures are expected to provide a huge fillip towards augmenting transmission grid networks in the region, with countries such as Brazil, Chile, Argentina, and Peru likely to garner more than 90% of the total investments.

In Brazil, the 10-Year Energy Expansion Plan 2029 (PDE 2029) announced by the Ministry of Mines and Energy (MME) envisages investments to the tune of BRL 2.3 trillion for the 10-year period starting 2020. Of the total investments, approximately 20% will be utilised for enhancing electricity generation and transmission in the country. The government has outlined elaborate plans to upgrade the transmission network and add renewable energy capacities. Under PDE, MME is projected to invest about BRL 73 billion in transmission lines and BRL 30 billion in substations, to construct ~49,000 km of transmission lines and about 162 GVA of transformer network in the country.

In December 2020, ANEEL, the Brazilian Electricity Regulatory Agency hosted transmission auction and allotted 11 transmission lots in various areas including, Minas Gerais, Rio de Janeiro, Rio Grande do Sul, and São Paulo with an investment of BRL 7.3 billion. These projects will add a total line length of 1,959 km and 6,420 MVA capacity to the Brazilian grid. Several large transmission lines in this auction were for underground solutions. Brazil is expected to host a large power transmission auction in December 2021. The Company targets to leverage these upcoming opportunities and build a substantial portfolio of EPC and tower supply projects in the country.

500 kV SAPEAÇU-POÇÕES III Transmission Line, Brazil

Several other countries in the region have announced major plans to augment their power infrastructure over the next 10-15 years to serve the growing electricity demand. Chile is addressing this need by strengthening its national & regional grids by adding 5,000 km of transmission lines and associated transformer capacity. The country has committed to generate 60% of electricity through renewables by 2035, thus necessitating the need to build new transmission lines. Argentina is focussing on the public–private partnership (PPP) model and has already identified multiple projects under its national budget. The country is planning to award over 3,300 km of transmission lines in the coming years through PPPs. Peru's electricity demand is primarily being driven by the growing mining sector and the burgeoning middle-class. The country is investing significantly in building up generation and transmission capacity to ensure its energy goals. The government plans to add 6,205 MW of power generation capacity during 2018-2028 and has approved the 10-year transmission development plan for the period 2019-2028, which includes the development of 13 projects at an investment of USD 511 million.

All of the above are expected to unfold substantial opportunities for the Company in South America.

RAILWAY BUSINESS

Overview

KEC is a leading engineering, procurement, and construction (EPC) player for Railways. The Company has vast experience in various works for Railways such as overhead electrification (OHE), traction power supply, track laying and linking for new railway lines, doubling and tripling of tracks, gauge conversion, signalling and telecommunication (S&T) and civil works such as bridges, stations & platforms, residential quarters, depots, workshops, etc. The Company is also executing projects in areas such as tunnel ventilation, speed upgradation and railway infrastructure for the private sector. Additionally, the Company is diversifying into technology-intensive areas of electrification, power supply systems and track laying for metros.

The business continues to be one of the Company's biggest growth drivers delivering a revenue CAGR of ~75% over the last five years. During the year, the Company delivered a revenue growth of ~34% in the Railway business. The business continued to contribute to the Government's mission of 100% electrification and completed overhead electrification of 1,329 route kilometres (RKM), which is nearly 22% of the country's overhead electrification lines commissioned during the year, in addition to commissioning railway tracks totalling to 171 RKM. The Company has delivered around 30% of India's overall railway electrification till date, spanning more than 18,800 km, and continues to dominate the OHE segment.

Installation of Foot Over Bridge at Barkhera Railway Station, Madhya Pradesh

The Company has bolstered its leadership position in the business and strengthened its order book to over ₹ 4,500 crore to drive growth in the coming year. In line with the strategy to diversify into adjacencies, the Company has successfully transitioned into a technology player from a conventional EPC player. The Company is now executing complex and technology-intensive projects in the areas of Metro, DFCC and High-Speed Rail. Over 50% of the order intake in FY21 comprise of orders from these new areas.

FY21 was a challenging year due to the ongoing COVID-19 pandemic; however, the Company has been able to ramp up its operations through timely mobilisation and testing of the workforce, strict adherence to COVID-19 SOPs at sites, and deployment of mechanisation and digitalisation initiatives, which has enabled the business to deliver projects ahead of schedule. During the year, the Company executed 11 projects, all of which were commissioned ahead of contractual schedule. The Company has also received early completion bonuses from RVNL and CORE. The business has also improved profitability through strict focus on controlling costs and managing cashflows.

The Company further strengthened its supply chain through backward integration by augmenting the manufacturing capacities of railway contact and catenary conductors and by introducing new products such as Quad cables, Contact wires, Dropper, Jumper & Feeder wires and Earthing conductors at its Vadodara Cables factory. The Company also manufactures signalling control cables, Railways OFC & PIJF cables, and Overhead Electrification structures, which gives the Company a competitive advantage in terms of enhanced supply security and better control over costs & quality.

The Company is also selectively bidding in international markets by leveraging on the global strengths and experience of its Transmission and Distribution business.

Sleeper Laying Machine at Vanchi-Maniyachchi (Nagercoil) doubling and overhead electrification project, Tamil Nadu

Outlook & Opportunities

The outlook for the Railway sector remains positive, with clear plans set by the Government for conventional railways such as 100% railway electrification by December 2023, speed upgradation of existing tracks to enhance the speed of passenger trains by March 2024. Further, the development of high-speed rail (HSR), semi-HSR, Suburban Rail, NeoMetro, and various metros across cities are the top priority of the Government. The railways sector received a budgetary allocation of ₹ 1.1 lakh crore and an outlay for capital expenditure amounting to ₹ 2.14 lakh crore for FY22. As per the Vision 2024 document of the Indian Railways, the sector is expected to see an investment requirement to the tune of ₹ 2.19 lakh crore from 2021-22 till 2025-26 for all priority projects of the Government. This offers promising business opportunities for the Company.

Going forward, the Company expects significant opportunities in the areas of electrification, power supply systems, track laying, signalling & telecommunication, etc., in both conventional as well as Metro segments. The Company is also exploring international projects from countries in SAARC, Africa and other regions.

The sector has contributed significantly in propelling India's overall development and enjoys significant focus from the Government for investments that would ensure the time-bound creation of world-class infrastructure in the country. Given the key developments in both domestic and international markets, the Railway business has emerged as a major growth driver for the Company and we expect the momentum to continue in the years ahead.

CIVIL BUSINESS

Overview

The Company forayed into Civil construction a few years back to unlock new avenues of growth and expand into adjacent EPC segments. The business continues to successfully tap the mid to large-size market segment in the areas of industrial, residential & public spaces, urban infrastructure, data centres, warehouses, water pipelines and sewage & water treatment plants.

The Company's strategy to drive growth through diversification into new and promising areas has proven to be successful. In FY21, the business has bagged breakthrough orders in the warehouse and water pipeline segments, opening up large opportunities for the Company. In a short span, the business has become one of the Company's major growth engines, clocking a revenue of ₹ 1,080 crore in FY21, a growth of ~3X compared to last year.

During the year, the Company bolstered its presence in the industrial sector by foraying into the chemical, hydrocarbon & flue-gas desulfurisation segments. Owing to the business' focus on quality and timely delivery of projects, the Company secured repeat orders from its reputed clients and continued to be a preferred civil partner in the cement, automobile and auto-ancillaries segments. The Company commissioned four industrial projects during the year, two each for renowned automobile and cement players. The Company has also strengthened its foothold in the residential segment in FY21 and secured three repeat orders to construct high-rise towers from a renowned real estate developer. The business is currently executing eight residential projects comprising of over 25 high-rise buildings, with a built-up area of approximately 50 lakh sq. ft., for marquee clients in fast-growing cities such as Mumbai, Bangalore, Pune, and Goa.

After the successful entry into the strategic Defence segment in FY20, the Company secured a repeat order from Military Engineer Services (MES) as a testament to its efforts towards delivering execution excellence with a special focus on quality and safety. The business is now executing three projects for MES and Defence Research and Development Organisation (DRDO), including an order in the technology-intensive area of Data Centres.

The Company is developing proficiencies in installing heavy mechanical equipment such as cement mills, stacker reclaimers and wagon tipplers, which are pivotal to the success of cement plants. The Company is streamlining its execution processes to enhance productivity by leveraging state-of-the-art equipment such as heavy cranes & gantries, mobile batching plants, and latest formworks. The Company has deployed innovative digital solutions such as drones, photogrammetry, BIM, IoT

120-metre chimney at Flue-Gas Desulfurisation project, constructed through slipform technology, at Dhanbad, Jharkhand in construction machineries to unlock value for its clients and differentiate itself from the competition. In recognition of its efforts towards a consistent focus on safety and quality, the Company has won top honours from National Safety Council of India (NSCI), in addition to a National Health and Safety award at the Global Safety Summit 2020 and Construction HSE & Corona Warrior award at CIDC Vishwakarma Awards.

In the post-COVID era, the Company is expecting significant investments to develop healthcare infrastructure, warehouses & data centres and plans to tap these segments, in addition to opportunities in segments such as industrial, residential, commercial and water.

Outlook & Opportunities

The construction industry is a key driver in achieving India's goal of a USD 5 trillion economy. The Government has laid out its vision through the National Infrastructure Pipeline, with investments of ₹ 111 lakh crore, covering 7,400 projects in the coming years. This push has been demonstrated by a 34% increase in infrastructure capex to ₹ 5.5 lakh crore in the Union Budget 2021. While the COVID-19 pandemic may affect investments in the short term, the medium to long term India growth story and infrastructure development plan shall remain intact. A KPMG study expects India will become the third-largest construction market globally by 2025, rising at a CAGR of 7.2%. The construction sector's contribution is expected to increase from 9% to 15% of GDP by 2030.

The slew of reforms and initiatives taken by the Government to attract foreign investments for the development of alternative global supply chains, strengthen industrial infrastructure and improve ease of doing business in the country to counter the slowdown and bolster growth have been very encouraging. The success of InvIT and REIT showcases the trust of investors in the infrastructure and real estate segment and lays a platform to bring significant private/foreign capital. These investments will create opportunities in the development of industrial clusters near highways & rail freight corridors, building of health infrastructure, mining & associated supply chain infrastructure, real estate, defence, airports, warehouses, etc.

With the long-term trend of increasing private investments, rapid urbanisation, consumption-driven growth and sustainable economic development, the future looks promising for the sector. The Company is confident of leveraging these opportunities with its financial strength, leading-edge construction technologies and diversified presence across the globe.

The following is the sector-wise outlook and opportunities for the Civil business:

a. Industrial Plants

The Government continues to implement measures on the fronts of Foreign Direct Investments (FDI) policy reforms, investment facilitation and ease of doing business under the 'Make in India' initiative. According to a CII-EY report, the country is expected to attract FDI of USD 120-160 billion per year by 2025, a clear endorsement of its status as a preferred investment destination amongst global investors.

The Government has also recently introduced Production Linked Incentive (PLI) scheme primarily to promote manufacturing in the country in several sectors, including electronics, food processing, battery storage, automobile components and speciality steel. The incentive payments are expected to reach ₹ 2 lakh crore, majorly driven by automobile (₹ 57,000 crore), electronics (₹ 51,000 crore) and pharma sector (₹ 15,000 crore). These large-scale investments are expected to further strengthen India's manufacturing sector.

Erection & commissioning of Stacker and Reclaimer at a cement plant in Jamshedpur, Jharkhand

The Company is also expecting significant investments in the automobile and auto-ancillary, cement, metals & mining, chemicals and warehousing space.

b. Residential and Commercial Buildings

Residential markets have been resilient even during the ongoing COVID-19 pandemic. A permanent shift towards work from home has increased the demand for home ownership, especially larger homes. The sector is already attracting significant FDI and Private Equity investments and is expected to receive a further boost with the recent success of Real Estate Investment Trusts. The long-term trend of the real estate market is optimistic, with the market expected to grow to ₹ 65,000 crore by 2040 from ₹ 13,000 crore in 2020. These developments are expected to provide a boost to the residential segment. The Company has built a formidable reputation in the sector. The strategy of working with financially stable developers has proved to be a boon. The Company has secured several new and repeat orders in this sector. The Company will continue to be selective and work with only marquee clients to minimise execution and cash flow risks.

On the commercial buildings front, the sector continues to expand, however, with lower growth than previous years due to the pandemic. The growing economy along with rapid urbanisation will continue to drive demand for commercial spaces across cities once the threat from the pandemic subsides. The Company plans to strengthen its presence in this segment, including tapping new opportunities in health infrastructure and data centres.

Architectural impression of a residential project in Goa

c. Airports

India has become the third largest domestic aviation market in the world and is expected to overtake UK to become the third largest air passenger market by 2024. The long-term trend of growth in the sector should continue post the current COVID-19 setback. India's aviation industry is expected to witness investments of close to USD 5 billion in the next four years, which includes USD 1.83 billion for development of airport infrastructure and allied services. The Government under its UDAN scheme has proposed to increase the number of operational airports to 190-200 by FY40, from 103 airports in 2019. New projects in Maharashtra, Karnataka, Tamil Nadu, Kerala, Arunachal Pradesh, and Rajasthan are going to gain traction. The Company plans to target airports in growing Tier – II & III cities, in line with the strategy to tap into the mid-size EPC market. (Source: India Brand Equity Foundation)

d. Defence

The Government gave defence modernisation a historic push in the Union Budget 2021-22, with a 19% increase in capital outlay towards modernisation and infrastructure development of Armed Forces. The Budget also proposed the opening of 100 new Sainik Schools in the country in partnership with States, NGOs and private institutions. The Company is already executing three projects for MES and DRDO.

e. Water

Ensuring clean and reliable water supply for household consumption as well as for irrigation is a major priority for the country. Towards this, the Government has proposed an outlay of ₹ 2.87 lakh crore over five years to provide household tap connections and universal water supply under the Jal Jeevan Mission in the Union Budget 2021-22. This will be used to augment local water resources and laying cross-country water pipelines as well as distribution infrastructure to ensure adequate water supply to every corner of the country. The Company has already tapped into the growing integrated water supply scheme segment and has secured two large projects in the state of Odisha. The Company expects significant opportunities going forward and is confident of foraying into a few more states and establishing itself in this critical infrastructure segment.

SOLAR BUSINESS

Overview

The Solar business offers comprehensive state-of-the-art engineering, procurement and construction services across ground-mounted and rooftop solutions, including industrial solar power plants. Launched five years ago, KEC's solar business is amongst the few EPC players in India with capabilities to execute large-scale projects of up to 150 MW, with significant experience in Single Axis Tracker implementation.

During the year, the Company expanded its services portfolio to offer innovative solutions to industries. The Company is executing India's largest carport project, a 20 MW Solar Carport for a leading automobile manufacturer. The business is also constructing 13.6 MW rooftop power plants in the industrial segment for an automobile ancillary company. The Company successfully commissioned a 14 MW ground mount project in Maharashtra, which was completed within 90 days after land handover. As a testimony to the Company's engineering and operations capabilities, the business is presently handling Operations and Maintenance of more than 15 projects and is exceeding generation performance guarantees in all projects.

The Company continues to adopt a cautious approach in the domestic market due to the ongoing uncertainties and is focussing on bidding for select large tenders. The Company has also increased its focus on the international market and is exploring opportunities in SAARC, the Middle East, Africa, EAP, and CIS regions.

The Company has developed significant control on the supply chain through backward integration by manufacturing a variety of solar structures and cables at its units, in addition to forging partnerships with reputed inverter, tracker and transformer manufacturers. The Company is leveraging its vast T&D presence across geographies to fast-track mobilisation and construction of solar projects.

Outlook & Opportunities

The Indian Renewable Energy (RE) sector continues to hold a positive outlook. The Government remains committed to accomplishing the ambitious target of 500 GW of clean energy capacity by 2030. As per estimates given by the Central Electricity Authority, the share of renewable energy generation would increase to 44% by 2029-30. The Indian solar market has added about 3.2 GW of capacity accounting for 48% of new additions during the year. The large-scale solar project pipeline stood at 47 GW, with another 24 GW of tendered capacity pending auctions.

Over the last few years, the Indian solar market has slowed down owing to multiple factors such as poor financial health of DISCOMs, PPA renegotiations by states, liquidity and financing issues, etc. During the year, rise in module prices, increased shipping and freight charges, and surge in raw material costs have impacted the industry in addition to COVID-19 related lockdowns.

The Indian Government's enhanced push for Renewable Energy may help re-accelerate growth in the sector. The Government's thrust on setting up Solar Parks and Ultra Mega Renewable Energy Parks, laying new transmission lines and creating substation capacity under the Green Energy Corridor Scheme for evacuation purposes is a step in the right direction.

In the international markets, global solar installations witnessed 10% growth surpassing 150 GW despite the pandemic-induced impacts. Markets such as Middle East, Africa, East Asia Pacific and Latin America are expected to drive growth in solar installations and aligns with KECs presence in these markets. Amongst neighbouring countries, there has been a keen interest in expanding power generation through Solar in the SAARC region, especially Bangladesh.

These opportunities and developments are expected to benefit large developers as well as EPC players like KEC.

URBAN INFRASTRUCTURE BUSINESS

Overview

The Company forayed into the Urban Infrastructure sector in FY20 to cater to the rapidly growing Metro and Regional Rapid Transit System (RRTS) segments in the country. Post securing multiple orders in the elevated viaduct segment last year, the Company expanded its footprint in FY21 and bagged several new orders in varied sub-segments, which further propelled the Company into the league of elite players capable of executing large, complex and technology-intensive projects.

Piling works on Yamuna river, Delhi Metro Rail project

The Company secured two new elevated viaduct orders/L1; one from Chennai Metro Rail Limited and a second from Kochi Metro Rail Corporation. The Company is now executing six Metro and RRTS projects with a combined value of ₹ 3,833 crore, which include two projects each for Delhi Metro Rail Corporation and Kochi Metro Rail Corporation, one for Chennai Metro Rail Limited, and one for National Capital Region Transport Corporation to construct the Delhi-Meerut Regional Rapid Transit System (RRTS). The Company has also ventured into the technology-enabled areas of Urban Infrastructure and is executing projects in Metro Electrification - OHE as well as Third Rail, power supply systems, and ballast-less track works for Metros, in addition to constructing depots for Urban Infra projects.

The Company has made significant progress across projects, despite the challenges posed by the pandemic. In line with the focus on accelerated project execution, the Company commissioned the Panamkutty River Over Bridge in Kochi, part of the Kochi Metro project, six months ahead of schedule. The Company deployed innovative, efficient, and cost-effective construction techniques to execute the project in a short timeframe, earning appreciation from the client and local citizens. The Company has already handed over a portion of the viaduct to the client for track laying.

The Company continues to leverage its vast experience in project management, execution, and technological capabilities to drive innovation and operational efficiency in this sector. Adoption of precast/prestressed construction methodology and deployment of advanced digital technologies such as Ground Penetrating Radar (GPR) for utility detection, drones for topographical surveys and BIM to design and monitor projects has enabled the Company to fast-track project execution and move closer towards its objective of delivering these projects as per stringent timelines. Along with driving growth, these projects are helping the Company build robust credentials to participate in similar large-size infrastructure projects in the future on its own.

Outlook & Opportunities

Over the last few years, India's urban transport infrastructure network has grown rapidly to figure among the top 10 largest networks in the world. The Government remains committed to develop India's urban mobility network at a swift pace and provide world-class infrastructure to its citizens to improve quality of life.

The Union Budget 2021 placed a huge focus on investment in this sector to raise the share of public transport in urban areas through expansion of Metro rail networks. The Government has announced an allocation of over ₹ 88,000 crore to develop new Metro lines in Kochi, Chennai, Bangalore, Nagpur and Nashik. Additionally, two new technologies, MetroLite and MetroNeo, will be deployed in Tier-2 cities and peripheral areas of Tier-1 cities to provide metro rail systems at much lesser costs with the same experience, convenience and safety.

Both state and central governments are committed to easing the infrastructure roadblocks resulting from a growing urban population. With over 1,000 km of Metro and RRTS lines under construction in 27 cities across India at an expected investment of close to ₹ 3 trillion over the next five years, the Company envisages significant opportunities for the Urban Infrastructure business.

SMART INFRASTRUCTURE BUSINESS

Overview

The Company ventured into the Smart Infrastructure business with a focus on Smart Cities, Safe Cities, Communication, Smart Mobility and Smart Utility segments. The Company plays the role of a Master System Integrator (MSI) and works closely with central and state governments, urban local bodies, and other agencies for creating smart and digital infrastructures.

The business has achieved key milestones in the execution of its first two Smart City projects at Aurangabad and Bidkin in Maharashtra. A state-of-the-art Command Control Centre at Police Headquarters in Aurangabad, a modern video wall, surveillance cameras and a data centre that can record and store data of 30 days has been deployed for real-time monitoring of various locations across the cities. In addition,

Digital Outdoor Displays, Aurangabad Smart City

Digital Display Systems, Public Transport Vehicle Tracking System, Environmental Sensors, Solid Waste Management and other Business Intelligence-driven software solutions are developed for the client to help them grow in their digital journey.

The Company has forayed into executing smart solutions for the Defence sector and is deploying Airport Perimeter Security Systems for the client. Execution and commissioning of these projects will help the Company build significant capabilities to target similar projects in PSU and Defence establishments with enhanced scope. The Company has also strengthened its capabilities to deliver solutions for Industrial Corridors and is constructing an Integrated Command and Control Centre for a greenfield project in Greater Noida, in addition to installing several Smart City components.

The business continues its focus on providing the latest technology-oriented solution, building partner ecosystem with large international and Indian players and working closely with customers, to create customised solutions and the right value proposition.

Outlook & Opportunities

The current pandemic situation across the country and the world has highlighted the importance of having a robust IT and Digital infrastructure. In India, the main initiatives of the Government that continue to see investments include the Smart City Mission, to develop smart cities across the country and making them citizen-friendly and sustainable, upgradation of digital infrastructure like Data Centres, and National Smart Grid Mission, to accelerate Smart Grid deployment in India.

The Union Budget 2021 allocated ₹ 6,450 crore for the ongoing Smart Cities Mission. During the pandemic, cities with developed IT infrastructure were able to handle the crisis effectively using Control and Monitoring Centre, Smart Healthcare, e-Governance, and other such applications. We expect a push forward in the digital journey of the cities, which will give rise to new opportunities for developing ICT ecosystems, surveillance systems, traffic management solutions, Wi-Fi connectivity, IoT-based sensors and Command and Control Centre. Under the Safe City project of the Government, several cities are expected to launch public safety initiatives such as surveillance systems, traffic monitoring & intelligent transport systems, communication infrastructure, command centre and other emergency services in Metro cities as well several B-class cities across India.

The Company is working with two cities for developing their scalable Data Centre as part of its ongoing project and will focus on standalone Data Centre opportunities as well going forward. In the Smart Grids domain, the Government is focussed on improving grid infrastructure through analytics enabled on ICT infrastructure. The Company plans to leverage its existing competencies in utilities, to expand it to grid automation and identifies it as a key area of growth.

Smart Infrastructure is expected to receive a push in the post-COVID environment and the Company is well prepared to leverage these growth opportunities.

OIL & GAS PIPELINES BUSINESS

Overview

The Company forayed into Engineering, Procurement and Construction of Oil & Gas cross-country pipelines, in line with the vision to grow through strategic diversification in adjacent areas. With proven project management capabilities and years of experience executing cross-country linear projects, and managing Right of Way (RoW), the Company is confident of its success in the sector.

India is also dependent to a large extent on imported crude and gas to satisfy its energy needs. The crude needs to be transported from ports to refineries and similarly petroleum products and gas need to be transported to consumption centres. Cross-country pipelines, considered as the lifelines of energy security of our country are the safest, cost-effective, energy-efficient, environment-friendly, and green mode for transportation of crude oil, petroleum products and gas.

The Company has made progress in building its asset and people capabilities for the sector, including well-experienced business development as well as execution teams. The Company has already participated in a few bids for projects during the year and is looking forward to securing its first order in FY22.

Outlook & Opportunities

The Indian Oil and Gas sector is likely to witness an investment of USD 206 billion in the next eight to ten years. The Government is targeting to increase refinery capacity from 248 MMPTA currently to 440 MMTPA and raise the share of natural gas in the energy basket from 6% to 15% by 2030.

As India moves towards building a gas-based economy, an estimated 14,700-km of cross-country gas pipelines are being added to the existing network of 16,800-km to form a national gas grid. Towards this, the Centre has decided to allocate approximately USD 66 billion to develop gas infrastructure, including pipelines, amongst other assets under the One Nation - One Grid programme. (Source: 3rd RE-INVEST 2020). It is also expected that 800-1,000 km of crude and product pipelines will be laid every year. These investments shall offer a sizeable market opportunity for a Company like KEC.

The Company believes that there is a good window of opportunity in this segment, given the Government's keen interest to promote green energy, which will see a surge in pipelines being laid across the country. Given the lack of focus and paucity of projects in this sector earlier, several players have exited the market. The sector is now seeing a sharp revival with huge investment plans made by large central, state and private enterprises.

CABLES BUSINESS

Overview

The Cables business manufactures a wide range of cables, railway conductors and also offers turnkey cabling solutions across 80+ countries. The business manufactures and markets Power cables, Control and Instrumentation cables, Railway cables and conductors, Telecom cables, and Special cables such as Solar cables, Hybrid cables and Mining cables. Over the last seven decades, the Company has built a broad customer base across industries, utilities, EPC companies and distributors aided by rich experience in quality-driven manufacturing and expertise in project execution. The Company has two fully integrated manufacturing facilities at Vadodara and Mysuru, both in India.

In FY21, despite the impact of COVID-19 related lockdown leading to delays in several infrastructure projects, the business has successfully grown its order booking vis-à-vis FY20. The business has also clocked a revenue growth of 9% on the back of higher sales in HT and Railway products. The Company has also commenced third party sale of

Integrated Cables Manufacturing Plant at Vadodara, Gujarat

Railway cable products during the year. With a significant presence in the international market, the Company has exported cables and cabling solutions to 32 countries across the globe.

In order to enhance the competitiveness of EPC business segments such as Railways overhead electrification, Urban Infra power supply systems, Solar, Substation and Underground cabling, the Company continues to strengthen its backward integration by developing new products for these business segments and augmenting capacities of railway contact & catenary conductors and signalling cables. The Company has already received approvals for manufacturing new products such as Quad cables, Contact wires, Dropper, Jumper & Feeder wires, Earthing conductors and Hybrid cables, and is on track to commercialise them in FY22. The strategy of consistently expanding the product offerings over the past few years is reaping rich benefits for the Company, by driving growth as well as profitability of the Cables business.

Outlook & Opportunities

The domestic Cables market is likely to grow at a CAGR of about 11% to reach ₹ 1,000-1,100 billion by FY 2023-24 from ₹ 646 billion registered in FY 2018-19, according to a CRISIL report. This growth will be driven by rising urbanisation and industrialisation, in addition to emphasis on building infrastructure across the country. Focus on renewable energy, smart cities and reforms to improve the financial health of the DISCOMs will also be a boon to the industry.

The Cables industry in India was also impacted due to COVID-19, decelerating by ~27% in absolute terms in H1 FY21. While the scenario improved in H2 FY21, the overall market remained subdued compared to FY20 owing to growth slowdown in the domestic economy. Increase in key raw material prices and volatility affected contract finalisations and reduced margins of orders under execution. On the positive side, as a strategic partner to the Company's Railway segment, the business has delivered a ~70% growth in the revenue from Railways products during the year.

In the Power cables segment, the Company expects that the Government's continued focus on large-scale infrastructure projects in the areas of Metros, Smart Cities, Affordable Housing and Highways, amongst others will continue to provide a significant boost to the domestic power cable market. Rapid urbanisation, need for enhanced reliability in power supply, especially in severe weather conditions and cyclone-prone areas along with the use of EHV cables to connect new GIS substations to the grid is expected to increase the demand for EHV cables and turnkey cabling solutions. The Company also foresees significant growth in the Underground Cabling segment, in India as well as international markets, especially in the MENA region. The Company offers unparalleled expertise to manage and deliver these underground cabling projects.

The Government's thrust on BharatNet 2, dedicated communication network for Defence and development of Smart Cities, in addition to the 5G spectrum auctions will lead to a boost in demand for Telecom cables. The Company also expects an increase in demand for several types of railway cables and conductors owing to the Government's plan to achieve 100% railway electrification by December 2023 and undertaking projects on track doubling and tripling, speed upgradation, advanced signalling & telecommunication systems, and Dedicated Freight Corridors. The Company is confident to serve the growing requirement through its comprehensive offerings for the Railway segment.

The Company's exports business remained stable as compared to last year. The business has secured various approvals from key industrial customers as well as utilities, both government and private. The Company expects to gain from the increasing demand from Africa, Middle East, and Australia.

FINANCIAL PERFORMANCE

Analysis of Profit and Loss statement and Balance Sheet including the key ratios based on consolidated results is mentioned as follows:

PROFIT AND LOSS STATEMENT ANALYSIS

Revenue for FY21 stands at ₹ 13,114 crore with a robust growth of 10% Y-o-Y, despite a challenging environment. The growth has been largely delivered by non T&D businesses, namely Railways and Civil.

Despite the significant issues, we have achieved an EBITDA of ₹ 1,141 crore with EBITDA margin of 8.7% for the year. The margins are slightly lower due to the extra cost incurred on account of COVID-19, cost escalations in SAE Brazil amidst the pandemic and a continuous increase in commodity prices globally.

A better management of working capital during the year has resulted in bringing down interest costs to ₹ 263 crore in FY21, which is a significant reduction of 15% Y-o-Y. Interest costs to sales ratio has also reduced to 2.0% in FY21 as against 2.6% in FY20.

Net profit for FY21 stands at ₹ 553 crore which is largely in line with FY20.

Earnings per Share (EPS) stands at ₹ 21.5 in FY21 against ₹ 22.0 in FY20.

Recommended a Dividend of ₹ 4 per equity share i.e. 200% of the face value of ₹ 2 each for FY21 – Total outflow of ₹ 103 crore.

BALANCE SHEET ANALYSIS

Net Worth increased to ₹ 3,360 crore from ₹ 2,798 crore in FY20. The Company has not raised any Equity Capital during the year, keeping the Equity Share Capital unchanged at ₹ 51 crore. Reserves and Surplus increased to ₹ 3,308 crore from ₹ 2,746 crore in FY20.

Book Value per share increased to ₹ 131 from ₹ 109 in FY20.

Gross Borrowings decreased significantly to ₹ 1,928 crore from ₹ 2,380 crore in FY20.

The Company's Net Working Capital days have decreased to 112 days from 119 days in FY20.

KEY FINANCIAL RATIOS

Key Financial Ratios [1]	2020-21	2019-20	Change (%)
Debtors Turnover	2.4	2.2	7.2%
Inventory Turnover	15.6	15.4	1.0%
Interest Service Coverage Ratio	4.5	4.0	10.2%
Current Ratio	1.2	1.1	1.9%
Debt Equity Ratio	0.1	0.2	-46.1%
Operating Profit Margin %	8.7%	10.3%	-15.6%
Net Profit Margin %	4.2%	4.7%	-10.8%
Return on Net Worth %	18.0%	21.6%	-16.9%

- Debt Equity Ratio has improved due to increase in Net Worth and reduction of debt on account of prepayment/ repayment of debentures and term loans from banks.
- There were no other significant changes (25% or more) in any of the above key financial ratios.

[1] *Assessment of key ratios have been derived at as follows:*

(Debtors Turnover = Revenue from Operations/Trade Receivables)

(Inventory Turnover = Revenue from Operations/Inventories)

(Interest Service Coverage Ratio = Profit Before Depreciation and Amortisation, Interest and Tax/Interest)

(Current Ratio = Current Assets/Current Liabilities)

(Debt Equity Ratio = Long Term Loans and Debentures including current maturities/Total Equity including all reserves)

(Operating Profit Margin % = EBITDA/Revenue from Operations)

(Net Profit Margin % = Net Profit after Tax/Revenue from Operations)

(Return on Net Worth % = Net Profit After Tax/Average Net Worth (Total Equity including all reserves))

ADEQUACY OF INTERNAL CONTROL

At KEC, Internal Controls are a key pillar of Corporate Governance. The Company has an internal control mechanism, which is aligned with its evolving needs. It operates through ERP system – SAP and has implemented adequate internal controls, which safeguards the Company's resources and ensures efficiency in operations, effective monitoring systems, and compliance with laws and regulations.

The Internal Control system is commensurate with the nature, size, and complexity of the business, both at entity and process levels. The system assures integrated, objective and reliable financial information. The Internal Audit department conducts audits at its various locations and covers all the major functions, with a focus on various operational areas and internal control systems and ensures that all the operations of the Company are covered at least once every 3 years. The department has been set up as a multi-disciplinary unit that delivers assurance across all areas of risk including strategic, commercial, safety, operational, compliance, control, and financial risks across all the Company's businesses. Suggestions, recommendations and implementation are placed before the Management and the Audit Committee of the Board of Directors periodically. The Audit Committee periodically reviews the adequacy of the internal control systems and provides direction and guidance, including external benchmarking of best practices for further action, if any.

During FY21, the findings of the Internal Control system were shared with the Audit Committee by way of presentations from time to time. The Audit Committee was satisfied with the adequacy of the Internal Control systems and procedures of the Company in respect to monitoring these systems.

Employees are guided by the 'RPG Code of Corporate Governance & Ethics', which reflects and reinforces the unique corporate culture and values prescribed by KEC and RPG Group. Whistleblower mechanism, an important element of the internal control system, encourages the directors and employees to report genuine concerns, misconduct or fraud without any fear of unfair treatment or punishment with direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

ENTERPRISE RISK MANAGEMENT AND INTERNAL AUDITS BY EXTERNAL SPECIALISTS

The Company engages external specialists for audits and reviews of various critical functions, such as Enterprise Risk Management (ERM), Information Technology (IT), and internal audit of certain manufacturing facilities and project sites. ERM review includes identification and assessment of risks across the Company, review of mitigation plans, and presentation of risk profile to the Risk Management Committee and the Board of Directors. The internal audit reports are presented to the Audit Committee.

ENTERPRISE RISK MANAGEMENT

The Company works predominantly in the Engineering Procurement and Construction (EPC) business and has developed robust risk management processes. With widespread operations across 30+ countries, the Company faces various risks associated with turnkey projects, whose long-term success largely depends on the existence of a robust risk identification and management system that helps identify and mitigate various risks.

KEC's robust risk management framework works at various levels across the Company and reviews its systems periodically to ensure they are in line with current internal and external environments.

Some of the enterprise-level risks identified by the Company and the mitigation measures being implemented are:

1. Pandemic Risk:

The Company is primarily involved in construction and manufacturing activities. Due to the onset of the COVID-19 pandemic in FY21, there is an inherent risk to health and safety of the employees and workers, and risk of disruption in production due to lockdown.

Mitigation: The safety of its employees and all its stakeholders is foremost to the Company and forms an essential part of its DNA. Environment, Health & Safety (EHS) is included in the Key Responsibilities of the main stakeholders of each project and region. The Company is complying with all MHA guidelines and KEC Standard Operating Procedures (SOP) introduced during the pandemic, with concurrent audits being conducted by Internal Audit department to review the adherence to MHA guidelines. The Company has institutionalised a Work From Home (WFH) policy since March 2020 for all corporate offices and standard operating procedures are rolled out for employees working from home. Sub-contractors are provided training and made to sign the EHS Code of Conduct before beginning a project. Additionally, a detailed Standard Operating Procedure (SOP) is documented for each activity and Hazard Identification and Risk Assessment (HIRA) is also completed. Each site is manned by a supervisor, who monitors the work done as per the SOP, along with a Safety Officer deployed at each site. Additionally, the Company's Corporate Safety Audit team conducts regular audits, which are reviewed monthly in the EHS Steering Committee meeting and actions are taken accordingly. To mitigate the risk of disruption in production due to lockdown, the Company has paid full wages, provided food and shelter facilities to contract workers during the lockdown period to retain the labour.

2. **Execution Challenges:**

   The Company faces execution challenges such as geological surprises, land acquisition and Right of Way (RoW) issues, pending approvals and clearances from Government agencies, working in difficult weather conditions, manpower issues, etc.

   Mitigation: The Company closely monitors the risks for each project and deploys suitable strategies to effect timely mitigation.

3. **Commodity Price Variations and Currency Fluctuations:**

   The Company deals with various commodities, such as steel, zinc, copper, and aluminium. Fixed price contracts can have a negative impact on the Company's profits if input costs rise without proper hedging mechanisms. Additionally, with operations in several countries, adverse movement in any currency can negatively impact financials.

   Mitigation: The Company believes in keeping its commodity and currency exposures hedged to optimum levels and measures and manages these risks centrally. It carries out periodic reviews of these risks at appropriate levels.

4. **Geopolitical Risks:**

   Unexpected political unrest or change in some of the developed/developing countries, trade barriers, increasing conflict in the Middle East are some of the risks that the Company faces.

   Mitigation: The Company monitors such risks and develops suitable mitigation strategies addressing the feasibility of operating in the country, strategic sourcing options, and regularly monitors international sanctions and funding to cover its exposure in the local markets.

5. **Demand Risk:**

   Infrastructure investment slowdown can lead to lower order intake and lower sales.

   Mitigation: The Company's robust global presence helps it minimise the impact on business during a slowdown in investment in a country or region. It has a significant presence in several underdeveloped and emerging economies, where infrastructure investment remains a key priority for sustainable growth. Further, the Company has diversified its business portfolio to include Substations, Railways, Civil, Solar, Urban Infrastructure, Oil & Gas Pipelines, Smart Infrastructure, and Cables, all of which provide ample growth opportunities in the future.

6. **Cyber Security:**

   Cyber-attacks and threats may impact the security of IT infrastructure and critical IT assets of the Company.

   Mitigation: The Company's IT systems are protected with anti-virus and its network security through firewall to avert any cyber-attacks. The Company had engaged an external specialist to carry out cyber security audit, post which, audit recommendations and suggestions were implemented to further strengthen the IT security.

7. **Succession Planning Risk:**

   Risk of inadequate succession planning for key personnel posing challenges to long-term sustainability and growth.

   Mitigation: Top talent and critical positions are identified annually in the organisational management review. The leadership pipeline has been strengthened and proper processes are implemented for hiring and retaining the best talent. Additionally, the Company periodically reviews the succession plan for its senior management team to ensure continuity in leadership.

HUMAN RESOURCES

The Company continues to successfully strengthen its position as a contemporary, open, and an exciting place to work. The ability to attract, motivate and retain talent is crucial for the success of the Company, which is primarily achieved through forward-looking policies, continued emphasis on upgrading employee skills and empowering them to realise their full potential.

The world went through unprecedented times in FY21 due to the COVID-19 pandemic and resultant lockdowns, which posed multiple challenges for employees across offices, project sites and manufacturing units. The Company provided unstinted support to its employees during the pandemic. Promptly responding to the crisis, the Company introduced a distinct Remote Working Policy to safeguard health and safety of employees, which gave them a choice to work remotely wherever viable. This forward-thinking policy empowered employees to adopt new and contemporary methods of working, while improving their well-being and enhancing their efficiency and business output. Deploying Rapid Action Task force and Emergency Response Plan across locations, along with strict implementation of Standard Operating Procedures mandated by local authorities helped the Company mitigate risks effectively and contain the spread of the virus. Periodic COVID-19 testing camps, awareness workshops and counselling sessions at the grassroot level, and collaborating with an online counselling platform to launch an Employee Emotional Wellness Program enhanced the mental health and emotional wellbeing of employees. The Company continued to be the strength of its employees diagnosed with COVID-19 and presented them with customised COVID Care kits, consisting of special sanitisation, nutrition and immunity-building products to help them stay safe and aid a smoother recovery.

During the year, the RPG Group launched 'Happiness Survey 2021' where KEC recorded a Happiness Quotient of 80%, with individual parameters such as 'I Love My Work' scoring as high as 87%. The results reflected the perspectives of the Company's diverse set of employees on factors such as work profile, professional and personal growth, open and transparent culture and being valued by and connected with each other, all of which enables the Company to strengthen and elevate employee happiness.

KEC continues to focus on skill upgradation by promoting a culture of self-development throughout the organisation. The Company rolled out the 5th edition of the Digital Learning Championship, an intra-business competition for e-learning through gamification for an enhanced employee experience. The technology-driven learning championship focusses on building employee capabilities across behavioural, functional, and technical competencies. The contest was widely appreciated by employees across businesses and witnessed a completion of over 5.4 lakh learning sessions, as compared to 3.7 lakh sessions in FY20. To encourage virtual learning, the Company also launched two novel initiatives - Knowledge Café & Learning-On-The-Go, where interactive sessions were facilitated by KEC's senior leadership as well as external industry experts on varied topics pertaining to the Company's businesses and functions.

On the HR digitalisation front, the Company continues to make significant progress to push digital to enhance employee experience. Leveraging digital tools and technology, the Company implemented digital onboarding for over 500 new employees in FY21 amidst pandemic-related constraints. It continued to further develop its 24x7, AI-powered chatbot, Electra, launched in 2018 to solve employee queries. In addition to Leave Management, Appreciation, and Grievance Management, the chatbot has now been integrated with more functionalities such as Payroll, Employee Directory, Attendance Management, Learning-On-The-Go, and Coronavirus advisories, amongst others. In the next phase, the Company plans to integrate employee onboarding process with the chatbot, to enhance joining experience of new recruits. As a testament towards the Company's contribution and innovative work in the field of HR excellence and adoption of latest technology to enhance employee engagement and experience, KEC was presented with the Runners Up award in the "Digital Transformation & Technology Adoption" stream at the 4th CII National HR Circle Competition 2020.

The Company continues to attract top talent from leading engineering and B-School campuses across India. In its 6th year currently, the Company's flagship Engineering Leadership Program has onboarded 200+ graduate and post graduate engineering trainees from IITs, NITs and NICMARs across India. During the year, the Company further strengthened its Group Management Resource program, which hires the best minds from premiere B-Schools; the Armed Forces Personnel Program, aimed at strengthening its leadership capabilities and the recently launched Commercial Leadership Program, which hires commerce graduates from campuses across India. The Company also fortified its Future Leaders Board programme, designed to encourage and develop top talent to become future leaders of RPG Group Companies, in line with the Group's vision of Unleashing Talent. The carefully selected team honed their skills & capabilities and experienced working on live projects, underwent leadership & personality development trainings, and developed business acumen through various avenues. Going forward, the Company plans to extend these talent acquisition programmes for hiring international candidates for overseas locations.

The Company is committed to providing equal opportunity and promoting a culture that values diversity to create an inspiring workplace. Some of the prominent initiatives that the Company has been taking to promote diversity, especially in gender include deputing a larger percentage of women employees at international locations, adequate representation of women employees in leadership programmes, and constant sensitisation and awareness training programmes for its large workforce. The Company has also launched a 'Womentoring' programme for its women top talent, to mentor and guide them in their professional journey. It is also making a concerted effort towards hiring people with special abilities, in addition to employing candidates with diverse educational backgrounds.

Employee Count as on March 31, 2021: KEC has 9,258 employees (including subsidiaries).

CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, expectations, predictions and assumptions may be 'forward-looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, natural calamities, change in Government's regulations, tax regimes, other statutes and factors such as litigation and industrial relations.

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

As a responsible Corporate citizen, the Company views itself as an important component of the society. It considers itself accountable to all its stakeholders, including investors, shareholders, employees, customers and vendors. It believes in adoption and implementation of responsible business practices in the interests of the society and environment. The Company has always taken keen interest in creating sustainable value for all its stakeholders in a responsible manner in ways such as sustainable use of natural resources, fostering a culture of safety, empowering its people to outperform and positively impacting many lives by building sustainable communities. Besides, the organisation has been actively enabling the communities (where it operates) in enhancing the quality of life. Sustainable development will remain an ongoing endeavor for the Company which tries to ensure that Environmental, Social and Governance initiatives are well ingrained into all aspects of its business operations and processes.

This Business Responsibility Report ("BRR") is aligned to the National Guidelines on Responsible Business Conduct ("NGRBC") on social, environmental and economic responsibilities of business, released by the Ministry of Corporate Affairs, Government of India which contains 9 principles and Core elements for each of those 9 principles. It is also in accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), as amended from time to time. The report provides information on the Company's initiatives from an environmental, social and governance perspective, in the format given under the SEBI Listing Regulations.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identification Number (CIN) of the Company:** L45200MH2005PLC152061
2. **Name of the Company:** KEC International Limited
3. **Registered address:** RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030
4. **Website:** www.kecrpg.com
5. **E-mail id:** investorpoint@kecrpg.com
6. **Financial Year reported:** April 01, 2020 to March 31, 2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub - Class	Industrial Activity
422	4220	42202	Construction or erection and maintenance of power and transmission lines
421	4210	42102	Construction of railways
429	4290	42901 42909	Construction of industrial facilities and other civil engineering projects
273	2732	27320	Manufacture of electric wires and cables
251	2511	25112	Manufacture of metal frameworks or skeletons for construction and parts thereof (power transmission and telecom towers, among others)

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**
   - Engineering, Procurement & Construction (EPC) services with complete turnkey solutions for Power Transmission and Distribution (T&D) projects in 70+ countries.
   - EPC services for Railways including overhead electrification, track laying, doubling & tripling of tracks, signalling & telecommunication, and civil works relating to Metro rail, bridges, platforms and stations.
   - Manufacturing of Cables, power, telecom, control & instrumentation, railway signalling, and solar.
9. **Total number of locations where business activity is undertaken by the Company**

a)	International Locations	Project sites at thirty-two locations across the world
b)	National Locations	Five manufacturing facilities at Jaipur, Jabalpur, Butibori, Mysuru, Vadodara, Registered Office in Mumbai, Project sites and regional offices at various locations across India

10. **Markets served by the Company (Local/State/National/International) –** All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital:** ₹ 51.42 Crore
2. **Total Turnover:** ₹ 11,851.79 Crore (Standalone)
3. **Total profit after taxes:** ₹ 646.09 Crore (Standalone)
4. **Total spending on Corporate Social Responsibility ("CSR") as a percentage of profit after tax (%):**

   The Company had to spend ₹ 11.81 Crore being 2 percent of the average net profit (calculated in terms of Section 198 and other provisions of the Companies Act, 2013) in the preceding three financial years. The Company contributed ₹ 6.41 Crore to RPG Foundation, the Implementing Agency for its CSR activities while spending ₹ 1.14 Crore directly on CSR activities. A sum of ₹ 4.27 Crore has been transferred to the Unspent CSR Account for utlisation in ongoing projects in FY 2021-22 in line with the Annual Action Plan approved by the Board. The details of such CSR activities for FY 2020-21 are given in *Annexure 'C'* to the Directors Report.

5. **List of activities in which expenditure in 4 above has been incurred:**

   The Company has established the following CSR Projects in line with its CSR Policy and Annual Action Plan approved by the Board:

   A. **Education –** Pehlay Akshar Schooling and Pehlay Akshar Teachers Training.

   B. **Employability –** Providing vocational skill training and employment opportunities to women and youth, and helping them with livelihood opportunities.

   C. **Heritage –** Conservation of heritage monuments, revive heritage sites and promote art and culture.

   D. **Community Development –** Fulfilling the felt needs of the community – Promoting healthcare including preventive healthcare and disaster management during the Covid -19 pandemic.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   The Company has seventeen subsidiaries (including step down subsidiaries) in India and abroad as on March 31, 2021.

2. **Does the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   The Company, along with all its subsidiaries, is guided by RPG Code of Corporate Governance & Ethics ("RPG Code") to conduct their business in an ethical, transparent and accountable manner. The Company encourages its subsidiaries to carry out Business Responsibility ("BR") initiatives. The BR policies of foreign subsidiaries are in line with their respective local requirements and laws.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   Other entities such as suppliers, clients and others with whom the Company does its business, do not participate in BR initiatives of the Company.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. **Details of Director/Directors responsible for BR**

   a) **Details of the Director/Directors responsible for implementation of the BR policy/policies:**

   Mr. Vimal Kejriwal, Managing Director & CEO, DIN - 00026981

   b) **Details of the BR Head:**

   Mr. Vimal Kejriwal, Managing Director & CEO
   DIN – 00026981
   Tel No.: 022-66670200
   Email id: brr@kecrpg.com

2. **Principle-wise (as per NVGs) BR Policy/Policies**

   a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	Principle Numbers P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for these principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes, the policies conform to the principles of NGRBCs, the Companies Act, 2013 and International Standards of ISO 9001, ISO 14001, ISO 45001 as applicable to the respective polices.								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	All the policies except HR policies can be viewed at https://www.kecrpg.com/policies. HR policies are restricted to employees of the Company and uploaded on Company's Intranet.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	Principle Numbers								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	Principle Numbers								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next one year									
6.	Any other reason (please specify)									

3. **Governance related to BR**

   a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3 - 6 months, Annually, More than 1 year.**

   The Executive Committee meets to review the BR performance of the Company on need basis. The CSR Committee of the Board generally meets atleast twice a year.

   b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   BR Report of the Company forms part of Integrated Annual Report and the same can be accessed on the website of the Company i.e. https://www.kecrpg.com/agm.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - (Businesses should conduct and govern themselves with Ethics, Transparency and Accountability)

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   The RPG Code has been adopted by the Company which *inter alia* covers the issues, related to ethics, conflict of interest and so on. Besides, the RPG Code ensures that every transaction is transparent. Every employee of the Company and its subsidiaries are required to mandatorily adhere to the RPG Code. In the case of foreign subsidiaries and Joint Venture, the RPG Code is applicable in line with the local requirements prevailing in the respective countries of operations. The Corporate Governance & Ethics Committee (CGEC) oversights the ethical issues and act as a central body for monitoring the compliance of the Code. The CGEC can be reached to report any matters of violation of the Code. The Code does not extend to suppliers/contractors/NGOs/others.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the financial year 2020-21, the Company has received seven complaints from investors and five complaints from suppliers. These complaints were resolved to the satisfaction of the Stakeholders. Investors' grievances are reviewed by Stakeholders' Relationship Committee periodically. The Company has also in place a Whistle Blower Mechanism, which enables Directors and employees to voice their concerns or observations without fear. It allows reporting of instance of any unethical or unacceptable business practice or event of misconduct/unethical behaviour, actual or suspected fraud and violation of RPG Code, among others. Instances can be directly reported to the Corporate Governance and Ethics Committee, constituted for the administration and governance of the Code. The Whistle Blower policy provides adequate safeguards and protection against victimisation of persons who use such mechanism and provide direct access to the Chairman of Audit Committee in appropriate and exceptional cases.

Principle 2 - (Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle)

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company is one of the global leaders in Engineering, Procurement and Construction ("EPC"), providing turnkey solutions in the areas of Transmission & Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infra and Cables. The Company's green product and services portfolio consists of efficient power transmission & distribution systems, electrification of India's vast railway network, metro rail projects, solar-PV-based power plants and efficient and sustainable Smart City solutions, among others. Across its various businesses, the Company endeavours to provide products and services that are focused on minimising environmental impact such as reduced water consumption and material consumption, and reduced waste generation, along with being sustainable throughout their life cycle.

   Aided by superior talent, processes and technology, the Company continues to set new benchmarks in the industry, across design, execution, quality and safety. It has established credibility in delivering products and services with minimum carbon footprint, while also ensuring that the society at large gets maximum benefits without causing negative impact on the environment. As a recognition of its efforts towards contributing to Environmental, Health, Safety and Quality through sustained practices, the Company has received the IMS certification ISO 9001, ISO 14001, ISO 45001 for businesses (products and services).

   The Transmission and Distribution business of the Company focusses on Green Energy Corridor (GEC) projects, which aim at integrating electricity produced from renewable sources with conventional power stations in the grid. These projects ensure that clean and reliable renewable energy is transmitted to the length and breadth of the country through transmission lines and substations built by the Company. During the year, the Company has secured seven new GEC projects, comprising transmission lines and substations, in addition to executing 103 ckm of transmission lines and 50 GIS bays for GEC projects, in Gujarat and Rajasthan.

   Enhanced project management and execution capabilities also enable the Company to consistently deliver projects ahead of time, to cope with increasing demands in infrastructure development, in India and other developing countries, thus benefiting societies at large.

   Renewables continues to be a key focus area across the world to achieve sustainable and responsible development. Over the past few years, the Company has significantly built its capabilities in both domestic and international markets and has cumulatively commissioned over 500 MW of Solar projects, including 65 MW on single axis tracking in India. Additionally, the Company has installed solar rooftops at its various offices, project sites and manufacturing plants to maximize the usage of clean and green energy.

   The Company's Smart Infra business provides modern, intelligent and sustainable solutions using innovative technology in the areas of Smart Cities, Smart Communications, Smart Grid and Smart Mobility. The Company has the capabilities to execute and deploy Integrated Command Control Centres, Environment Sensors, Integrated Perimeter Security Systems, Advanced Metering Infrastructure including Smart Meters and Intelligent Traffic Management Systems, all of which encourage efficient use of resources and helps contribute towards the sustainable development of the nation.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

   The Company realizes its responsibility as a growth enabler and endeavors to create value chains across its manufacturing process. The Company is also cognizant of the environmental impacts caused during production and lifecycle of its products and continually strives to innovate to reduce such impacts. The role of developing sustainable value chain to reduce the environmental and social impacts of the Company's operations is gaining importance with each passing day. By incorporating environmental and social concerns into the product design philosophy, the Company has generated the economic value which is derived from optimize use of natural resources, process innovation lead by its skilled employees and practicing Lean manufacturing.

   Various improvement projects through Rapid Task Forces (Cross Function Teams) are accomplished to reduce the environmental impact, saving of natural resources & making organization stand outperform.

   - Improvement in the Yield of Input Material - Zinc, Polyvinyl chloride, Cross linkable ploythelene, Steel, Copper & Aluminium
   - Energy & Fuel Conservation
   - Reduction in consumables
   - At Sourcing Stage- Environment friendly packaging material
   - Innovation & Automation across manufacturing process

   Encouraging results have been achieved by the teams, the core of improvement initiatives being use of new technology, recycling of waste, reduction in generation of waste through Innovation & Lean manufacturing, 3E's drive for Energy conservation and reduction in Carbon emissions.

- Other initiatives undertaken:
  - i. Optimizing the design of cables and enhance process efficiency to minimize overconsumption of material that was essentially a waste;
  - ii. Reuse of recyclable material such as use of flexi packing material in place of wood-based packaging.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company takes significant steps for reducing energy usage and minimizing its environmental footprint across the value chain. Product(s) Innovation is the key enabler to provide the energy efficient & environment sustainable products to the customers. In Vadodara cable plant, LED lights of more than 9300 W capacity were installed.

The Company continues to consistently focus on product(s), which provide energy efficiency at the customer end. It, thus, designs innovative products. For example, it has developed conductors used in cable manufacturing with minimal resistance. These provide substantial benefits to consumers.

Environment sustainability is also enhanced by reduction in use of water footprints with the vision to become a water positive manufacturing plant.

- **Water effluent ZERO discharge:**

  All manufacturing plants are having well equipped Effluent Treatment plants & sewage treatment plants to treat trade & domestic effluent within the plant and ensure ZERO Discharge outside the premises.

- **Water Consumption & Harvesting:**

  Complete Water Balance Mapping is done across the manufacturing processes & areas are identified to drive the water conservation initiatives.

- **Process Innovation & Technology adoption:**
  - i. Evaporation Sprinkler system is replaced with Cooling Towers.
  - ii. Regeneration plant for Pre-Flux in galvanizing.
  - iii. Acid Recovery plant to eliminate the Lime Treatment of Spent Acid thus save water & Sludge generation.

It's becoming increasingly important for companies to reduce their environmental impact across their manufacturing operations. Rainwater harvesting is an extremely cost-effective method of achieving this goal, with the added benefit of reducing water consumption & become water positive facility. The Company has 14 rainwater harvesting structures in the manufacturing facilities & also goes beyond the fence under CSR initiatives and has installed Rainwater Harvesting systems in the community also. Vadodara Cable plant is IGBC certified green building which ensures conservation of all natural resources.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company takes care of Sustainable sourcing through effective Supplier evaluation on quality, financial, reliability grounds before awarding business. Methodology of awarding involves equitable RFQ management and contracting which encourages higher participation and trust between the Company and supplier. The Company believes in long term partnership with major suppliers rather than one time business focus.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company consistently endeavours to develop vendors near its worksites unless under exceptional circumstances. It's tower manufacturing facilities have introduced small fabricator vendors to work inside the plant premises, which enables the Company to receive quality products on time as well as encourages local employment in the community. Besides, it has helped the Company to effectively control steel wastage, processes and product quality. Moreover, the vendors are also made a part of the TPM journey along with the Company's assets. This strategy has directly supported the Company to reduce cost and has paved the way for a flexible manufacturing system. The Company also hires local contractors and develops them for its various projects.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.

The Company's EHS policy is embedded with the objectives of reduction in environmental degradations and promotion of 3Rs (Reduce, Reuse and Recycle) to help combat the perils of climate change. Reduce, Reuse and Recycle is the way forward to drive optimal resource efficiently. The Company has a "Focus" strategy for continual reduction of natural resources usage, recycling the waste and ensure embedding sustainability across the value chain.

- **Product Innovation:**
  - i. Eco- Design Engineering – Lightweight towers used to minimize use of Steel (Natural Resources)/Developed conductors used in cable manufacturing with minimal resistance.
  - ii. Optimize Design - Optimizing the design of cables and enhance process efficiency to minimize overconsumption of material.
- **Lean Manufacturing:**
  - i. Continuous improvement in Yield resulting into reduction in wastages of Natural Resources like Steel/Zinc/Copper.
  - ii. Re-layout to reduce minimum transportation of material in manufacturing.
- **Material Substitution:**
  - i. Enhance reuse of recyclable material e.g. use of flexi packing material instead of wood-based packaging.

Principle 3 – (Businesses should promote the well-being of all employees)

1. Please indicate the total number of employees:

The Company has 5,797 permanent employees (excluding subsidiaries) as on March 31, 2021.

2. Please indicate the total number of employees hired on a temporary/contractual/casual basis:

The Company has a total of more than 27,000 employees hired on temporary/contractual/casual basis as on March 31, 2021.

3. Please indicate the number of permanent women employees:

The Company has 242 permanent women (excluding subsidiaries) employees as on March 31, 2021.

4. Please indicate the number of permanent employees with disabilities:

The Company has 26 permanent (excluding subsidiaries) employees in the above category as on March 31, 2021.

5. Do you have an employee association that is recognised by management?

Yes, there are employee associations, which are recognised by the management.

6. What percentage of your permanent employees is members of these recognised employee association?

~7 percent.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	Number of complaints filed during the financial year	Number of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety training and skill upgradation training in the last year?

Type of Employees	Skill upgradation training	Safety training
Permanent Employees	99%	100%
Permanent Women Employees	100%	100%
Casual/Temporary/ Contractual Employees	*100%	100%
Employees with Disabilities	67%	100%

**On-the-job training is given to all the casual/temporary/ contractual employees.*

Principle 4 – (Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised)

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders. It recognises employees, clients, customers, suppliers, contractors, shareholders, bankers, various government authorities, among others, as its key internal and external stakeholders. As a continuous process, the Company regularly reviews its internal and external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes, the Company has identified the underprivileged communities in and around its plants, business locations and project sites. The Company conducts various activities, which upholds its philosophy and values towards underprivileged communities and serving the wider interests of society. This helps in social and economic development of the communities.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

The Company has undertaken special initiatives for the development of underprivileged communities in and around its plants, business locations and project sites. These initiatives are in the areas of preventive healthcare, education, employability, skill development etc.

Principle 5 – (Businesses should respect and promote human rights)

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Human rights are given utmost respect and promoted in the Company. These rights are covered in the RPG Code and various human resource practices and policies. Equal opportunity is given to all the employees of the Company based on merits. The Company treats its employees with dignity, apart from maintaining a congenial work environment free from all sorts of harassment (physical, verbal or psychological). The Code covers the Company and all its subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   The Company has not received any complaint of human rights violation.

Principle 6 – (Businesses should respect, protect and make efforts to restore the environment)

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Environment Health and Safety ("EHS") policy covers the Company, its subsidiaries and contractors.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Sustainability is built into the Company's business processes through well-defined Group vision & Company Policies. The Company reaffirms value system committed to social expenditure, environmental preservation and governance structure that engages employees and other stakeholders.

   The Company has always been committed to sustainable growth, which includes its responsibility towards its customers as well as towards the environment. The Company's EHS policy is embedded with the objectives of reduction in environmental degradations and promotion of 3Rs (Reduce, Reuse and Recycle) to help combat the perils of climate change. The Company ensures the use of technology for protection of environment through focus on carbon emission, water, air pollution, waste management, use of renewable and clean energy. Energy Audits by third party are conducted to funnel down the actionable areas for conservation of energy & scope for generation of renewable energy. The Company's plant at Mysuru has utilized green power (solar/wind) 90 percent of its annual power consumption to reduce the carbon foot print. The Initiatives undertaken by the Company are below in brief:

   - Use cleaner fuel to reduce the Carbon Emission & also conservation of Fuel - CBFS/VXA Fuel is replaced with C9.
   - Advanced Multi Fuel Fired furnaces with microprocessor control burners to reduce the Fuel consumption.
   - Use of Induction Heating mechanism in place of Fuel Firing furnace.
   - Use of waste heat/latent Flue Gases heat to conserve energy.
   - Use of Renewable source of Energy – solar plants in Jaipur & Nagpur and use of Solar/Wind energy at Mysuru plant.

   More details of the initiatives undertaken are provided in 'Conservation of Energy and Technology Absorption' in the *Annexure 'D'* to the Directors' Report.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   The Company has an Environmental Health & Safety Policy which guides the Company's efforts to manage its environmental impacts and continually improve its environmental performance. All Manufacturing plants are certified to ISO 14001:2015 Environmental Management System (EMS) standard. As part of EMS implementation, potential environmental risks are identified, and appropriate mitigation strategies are planned.

   The Company strives for excellence in environmental performance and resource efficiency to mitigate it's ecological footprint and continues to invest in upgrading existing technologies to minimize its potential environmental risks.

   There are policies and processes in place for reducing energy usage and minimizing the environmental footprint across the value chain. The Company has set stringent targets for energy intensity, greenhouse gas emission, and water conservation. The efforts also focus on reducing waste, enabling a sustainable supply chain and understanding the impact of the Company's products on the environment through lifecycle assessments.

   The Company closely monitors air quality, effluent discharge and other environmental parameters to ensure compliance with all existing regulations. There are periodic environment audits and checks to sustain the same.

4. **Does the Company have any project related to clean development mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   The Company adheres to all rules, regulations, standards framed by Central Pollution Control Board ("CPCB") and State Pollution Control Board ("SPCB") of respective states where the Company's plants are situated. Compliances of these rules, regulations and standards are being checked by internal auditors. Moreover, independent assessors review these wherever needed. Periodical compliance reports, as applicable, are submitted to CPCB and SPCB. The Company has not undertaken any specific projects related to clean development mechanism.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   The Company focusses on energy efficiency through process optimization initiatives such as waste heat recovery systems and by-product flue gas utilization, installation of renewable power plants at its factory locations. The Company has worked on 3E's Themes viz., Energy Conservation (Technology Adoption, Technology Upgradation & Process Modification), Energy Management (Process Monitoring & Pricing/Fuel Selection) and Energy Generation (Solar Plant).

   During the year, the Company continued to receive awards, certificates and appreciation from its clients in India and abroad and the industry for its exemplary EHS (Environment, Health and Safety) practices. It's International T&D business received the Contractor Environmental Impact Assessment Compliance Award (CECA) from Sarawak Energy Malaysia. The Company's Butibori & Jaipur Plant won SEEM National Energy Management Awards 2020 for the sustainable energy performance & environment conservation initiatives, whereas the Company's Jaipur Plant also won the award for "Outstanding performance in Energy Conservation" by Employers Association of Rajasthan in the category of Large-Scale Industries.

   The Initiatives by the Company on clean technology are as below:

   - **Clean Technology/Alternate Fuel adoption:**
     i. Induction Heating to eliminate Fossil Fuel Furnaces
     ii. Use of Micro Processor Dual Burners for using of LPG/LNG (Low Carbon Index Fuel)
     iii. Replacement of existing fuel with high calorific value and cleaner combustion fuel, resulting into reduction in carbon emission
     iv. Upgradation of Auxiliary Galvanising Bath at Jaipur plant with LPG-fired Burner/Furnace instead of Diesel-fired, resulting into reduction in carbon emission
   - **Use of Green Power/Renewable Energy:**
     i. Solar Plants in Nagpur & Jaipur tower manufacturing plants
     ii. Solar/Wind energy - Mysuru cables plant has utilized green power i.e. 90 percent of its annual power consumption to reduce the carbon footprint

6. **Are the emissions/waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?**

   The emission levels were within the permissible limits given by CPCB and respective SPCB for the financial year ended on March 31, 2021.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (not resolved to satisfaction) as on end of Financial Year.**

   The Company has not received any show cause/legal notices either from CPCB or SPCB which is pending as on March 31, 2021.

Principle 7 – (Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner)

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

   The Company is a member of the following major Trade/ Chamber or Association:

   1. Indian Electrical and Electronics Manufacturing Association (IEEMA)
   2. Confederation of Indian Industry (CII)
   3. CII Transmission Line Division
   4. Engineering Export Promotion Council (EEPC)
   5. Project Exports Promotion Council (PEPC)
   6. Bombay Chamber of Commerce & Industry
   7. Central Board of Irrigation & Power (CBIP)
   8. PHD Chamber of Commerce and Industry (PHDCCI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others)**

   The Company engages with the above associations for advocating matters concerning Taxation, Governance & Administration, Economic Reforms and Energy Security affecting the industry as a whole.

Principle 8 – (Businesses should support inclusive growth and equitable development)

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   In pursuit of its Corporate Social Responsibility (CSR) Policy, the Company has identified various programmes and initiatives. Brief details of these programmes are as under:

   A. **Education**

      i. **Pehlay Akshar Schooling –** This project is undertaken for students in government schools to positively impact education with a special focus on practical English speaking and reading skills. By improving their English language skills, it helps enhance their employability, thereby giving these children an equal opportunity for making their lives brighter.

      ii. **Pehlay Akshar Teachers Training –** In this program, work is undertaken with teachers in government schools through digital and in-person workshops and weekly sessions to train them on creating a 'Magic Classroom' - a place where children feel safe, appreciated, motivated and are engaged to continue learning.

   B. **Employability –** This program focuses on providing skills and employment opportunities to women and youth, and helping them with other livelihood opportunities with various programmes such as Swayam Health, Swayam Drive, Swayam Skills, Swayam Digital and Swayam Construction. Training is provided in the sectors of Healthcare (General Duty Assistant, Home Health Aide, Pharmacy Assistant etc), Driving (2 wheelers), Digital (Hardware and Networking, Digital Marketing) and Construction (Mason, Fitter etc) and a few others, and employment linkages are also provided. The program also promotes entrepreneurship development and creation of Self Help Groups for women. This enables women and youth from marginalized communities to be financially independent.

C. **Heritage –** This program is undertaken to promote conservation of heritage monuments, revive heritage sites and promote art and culture.

D. **Community Development –** This is a program based on fulfilling the felt needs of the community – access to clean drinking water, sanitation and relief efforts during the COVID – 19 pandemic.

2. **Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/ government structures/any other organisation?**

   Programmes of the Company are undertaken both through RPG Foundation, the primary implementation agency, and also directly by the Company.

3. **Have you done any impact assessment of your initiative?**

   The Company reviews outcomes of the various interventions on a continuous basis and monitors gains to the community arising out of all its CSR activities. Feedback is sought from beneficiaries and partners.

4. **What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.**

   The Company has contributed ₹ 6.41 Crore to RPG Foundation, the Implementing Agency for its CSR activities and spent ₹ 1.14 Crore directly on community development activities. A sum of ₹ 4.27 Crore has been transferred to the Unspent CSR Account for utlisation in ongoing projects in FY 2021-22 in line with Annual Action Plan approved by the Board. The details of such CSR activities for FY 2020-21 are given in *Annexure 'C'* to the Directors' Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The Company's initiatives are based on critical and felt needs of the community. Consultations are undertaken with the community, gram panchayats and other local bodies to understand the need. This ensures active participation by the community, and efforts are also put in to ensure that the development initiatives are successfully adopted by the community. In FY 2020-21, the community development initiatives were focused on COVID-19 pandemic relief and benefitted numerous beneficiaries. A few examples are given below –

   - 80,258 cooked meals distributed to migrant workers, frontline workers and other vulnerable sections
   - Ration kits provided to 5,600 families
   - 40 Covid Sample collection booths were donated, enabling around 20,000 Covid tests
   - 50,000 N 95 masks donated to frontline workers
   - 25 Ventilators were donated

   Annual Report on CSR initiatives of the Company are given as *Annexure 'C'* to the Directors' Report.

Principle 9 – (Businesses should engage with and provide value to their customers and consumers in a responsible manner)

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Out of total 39 complaints received during the financial year 2020-21, all were closed with effective, corrective & preventive actions and no complaints were pending as on March 31, 2021.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

   The Company displays customer specified information viz., customer name, project name for which the product is being supplied as per contractual agreement.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   In the last five years, no such case has been filed against the Company on the above referred matters.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company has carried out consumer survey/consumer satisfaction surveys in FY 2020-21. It also regularly receives certificates/awards from its customers, recognising its products and services.

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended, but also several inherent core values at a superior level of business ethics, transparency, effective supervision and enhancement of shareholders' value. These core values are central to the business philosophy of the Company and act as the guiding inspiration for the day-to-day business operations. The Company strives to be a customer-first, quality-obsessed, socially- sensitive Corporate entity and believes in sustainable growth for its shareholders and other stakeholders and the Communities it operates in.

The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations as applicable including relaxations granted by the Securities and Exchange Board of India ("SEBI") in the wake of COVID-19 pandemic, with regards to Corporate Governance.

II. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate superintendence, control and responsibility of the affairs of the Company.

Composition of the Board of Directors

The Company has an optimum combination of Executive and Non-Executive Directors, including an Independent Woman Director in line with the relevant provisions of the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations. The Board of Directors comprises of personalities with adequate experience, qualifications, knowledge and diversified expertise relevant to the diversified business operations of the Company. The Company's Managing Director and Chief Executive Officer (CEO) is the only Executive Director on the Board.

As on March 31, 2021, the Board of the Company comprised of ten Directors, with eight Independent Directors, one Non-Executive Director and one Managing Director & CEO. The Chairman is a Non-Executive Director. The composition of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Company also has a succession plan in place for the Board, Key Managerial Personnel and Senior Management of the Company. The Directors are appointed or re-appointed with the approval of the shareholders and remain in office in accordance with the provisions of the law. The Independent Directors are appointed for a fixed term not exceeding five years.

All the Independent Directors of the Company have confirmed that they meet with the criteria of independence laid down under the SEBI Listing Regulations. Further in terms of the Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All such confirmations of Independent Directors are placed before the Board. Based on such confirmations, in the opinion of the Board, all Independent Directors of the Company fulfill the conditions specified under the SEBI Listing Regulations and are independent of the management of the Company. The Independent Directors on the Board are senior, highly competent individuals having vast experience in their respective fields. This brings an ideal blend of professionalism, knowledge and experience to the table.

Pursuant to Section 164(2) of the Act, all the Directors have also provided annual declarations that they have not been disqualified to act as Directors. The number of Directorship(s), Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Act and SEBI Listing Regulations as amended from time to time.

M/s. Parikh Parekh & Associates, Practicing Company Secretaries has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The same was placed before the Board at its meeting held on May 11, 2021 and also forms part of this Annual Report. None of the Directors have any inter-se relationship among themselves in terms of the definition of 'relative' given under the Act.

Board Meetings

The Board meets at least four times in a year in accordance with the applicable laws. Additional meetings are held as and when required. The Company plans and schedules the meetings of the Board and its Committee(s) well in advance. Agenda and detailed notes on agenda are circulated to the Directors a week prior to the date of the meeting along with detailed supporting documents.

As a green initiative and part of the Digital Initiatives of the Company, the Agenda of the Board and Committee meetings are circulated to the Directors through a secured cloud based software which is accessible by all Directors through their individual login credential on IPads, Laptop etc. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Prior consent of the Board is obtained in beginning of the financial year for circulating the documents at shorter notice for matters that form part of the Agenda and are considered to be in the nature of Unpublished Price Sensitive Information. In special and exceptional circumstances, additional item(s) on the agenda is/are taken up with due permission of the Chair.

The members of the Board have access to all the information of the Company and are free to recommend inclusion of any matter in the agenda for discussion. It is ensured that the relevant information prescribed to be provided under the SEBI Listing Regulations along with such other information, as may be deemed necessary for effective decision making, is presented to the Board.

The meetings of the Board are generally held at the Company's registered office at Mumbai. The facility to participate in the meeting through video conferencing or other audio - visual means is made available to the Directors to enable them to join the meeting from other locations as well, as permitted under the law. The Company adheres to the Secretarial Standards as prescribed by the Institute of Company Secretaries of India.

The Board met five times during the financial year 2020-21 on May 29, 2020, August 10, 2020, November 04, 2020, January 28, 2021 and March 17, 2021 through video conferencing. As stipulated, the gap between two consecutive Board meetings did not exceed one hundred and twenty days. The Board has also approved proposal(s) through circulation in case of exigencies.

Details of Directors along with the attendance of each Director at the Board Meetings/Annual General Meeting ("AGM"), their Directorship(s) and their Committee(s) Membership(s)/Chairmanship(s) including the Company as on March 31, 2021 are given below:

Particulars of Directors	Attendance at		Directorship(s) and Membership(s)/ Chairmanship(s) in Committee(s)		
	Board Meeting	Last AGM held on August 07, 2020	Directorship(s)(1)	Committee Membership(s)(2)	Committee Chairmanship(s)(2)
Promoter Director					
Mr. Harsh V. Goenka, Chairman (DIN: 00026726)	5	Yes	7	-	-
Executive Director					
Mr. Vimal Kejriwal, Managing Director & CEO (DIN: 00026981)	5	Yes	2	1	-
Independent Directors					
Mr. A. T. Vaswani (DIN: 00057953)	5	Yes	3	4	4
Mr. Dilip G. Piramal (DIN: 00032012)	5	Yes	9	2	-
Mr. G. L. Mirchandani (DIN: 00026664)	5	Yes	4	1	-
Ms. Nirupama Rao (DIN: 06954879)	5	Yes	4	1	-
Mr. Ramesh Chandak (DIN: 00026581)	5	Yes	6	7	3
Mr. S. M. Trehan (DIN: 00060106)	5	Yes	1	2	-
Mr. Vikram Gandhi (DIN: 05168309)	2	No	2	1	-
Mr. M. S. Unnikrishnan (DIN: 01460245)	5	Yes	2	-	-

Note(s):

(1) Excluding Directorships in private companies, foreign companies and companies under Section 8 of the Act.

(2) Membership/Chairmanship in Audit Committee and Stakeholders' Relationship Committee only has been considered. Number of Committee Membership includes Committee Chairmanship.

Details of Directorships held by Directors of the Company in other listed entities are given below:

Name of Director	Directorship in other listed entities	Category of Directorship
Mr. Harsh V. Goenka	CEAT Limited	Chairman, Non-Executive Director
	Zensar Technologies Limited	
	RPG Life Sciences Limited	
	Bajaj Electricals Limited	Independent Director
Mr. Vimal Kejriwal	Nil	Nil
Mr. A. T. Vaswani	Zensar Technologies Limited	Independent Director
Mr. Dilip G. Piramal	V I P Industries Limited	Chairman, Non-Executive Director
	Alkyl Amines Chemicals Limited	Independent Director
	Kemp & Company Limited	Non-Executive Director
Mr. G. L. Mirchandani	MIRC Electronics Limited	Chairman and Managing Director
Ms. Nirupama Rao	ITC Limited	Independent Director
	JSW Steel Limited	Independent Director
	Adani Ports and Special Economic Zone Limited	Independent Director
Mr. Ramesh Chandak	Summit Securities Limited	Chairman & Independent Director
	Parag Milk Foods Limited	Independent Director
	Ram Ratna Wires Limited	Independent Director
	Prince Pipes and Fittings Limited	Independent Director
Mr. S. M. Trehan	Nil	Nil
Mr. Vikram Gandhi	Jana Small Finance Bank Limited (Debt Listed)	Independent Director
Mr. M.S. Unnikrishnan	Kirloskar Brothers Limited	Independent Director

Skills/expertise/competence of the Board

The Directors on the Board are eminent industrialists/ professionals and have expertise in their respective functional areas, which brings with them the reputation of independent judgement and experience which adds value to the Company's business. Directors are inducted on the Board basis the possession of the skills identified by the Board and their special skills with regards to the industries/ fields they come from.

The Board has identified the skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board members stated hereinafter:

Global Business - Understanding of global business dynamics across various geographies, industry verticals and regulatory jurisdictions.

Strategy and Planning - Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

Governance - Experience in developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.

The skills/expertise/ competencies have been further elaborated as under:

Name of the Director	Skills/expertise/competence
Mr. Harsh V. Goenka	Global Business, EPC & Infrastructure, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Human Resources, Public Policy
Mr. Vimal Kejriwal	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal, Human Resources, Public Policy
Mr. A.T. Vaswani	EPC & Infrastructure, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal
Mr. Dilip G. Piramal	Global Business, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal, Human Resources, Public Policy
Mr. G. L. Mirchandani	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal, Human Resources, Public Policy

Name of the Director	Skills/expertise/competence
Mr. Ramesh Chandak	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal
Mr. S. M. Trehan	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal, Human Resources, Public Policy
Ms. Nirupama Rao	Global Business, General Management, Thought Leadership, Human Resources, Public Policy
Mr. M.S. Unnikrishnan	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Human Resources, Public Policy
Mr. Vikram Gandhi	Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Accounting, Finance, Legal

Board's Responsibilities

The Board of Directors play a primary role in ensuring good governance, in the creation and enhancement of Stakeholders' value and in smooth functioning of the Company. As the Board's primary role is fiduciary in nature, it is responsible for ensuring that the Company runs on sound ethical business practices and there is optimum use of resources. The Board's mandate is to oversee the Company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard the long term interest of the stakeholders. The Board has complete access to any information within the Company and discharges all its responsibilities, functions, duties and obligations in timely and effective manner in accordance with applicable laws, keeping close watch on the business operations of the Company. The day-to-day affairs are managed by the Managing Director & CEO of the Company under the overall supervision of the Board.

Role of Independent Directors

The Independent Directors play an essential role in ensuring transparency in the working mechanism of the Company and enrich decision making. They play a significant role in governance processes of the Board which results in ethical business practices, functional operational matters, address various business challenges and monitor implementation of decisions taken. Along with independent judgment, they also bring to the Company their expertise in the fields of business, commerce, finance, management, law and public policy which enriches the decision making process at the Board.

A formal Letter of Appointment, which *inter alia* covers their role, responsibilities, duties and remunerations, was issued to each Independent Director at the time of their appointment in the manner provided under the Act and SEBI Listing Regulations. The terms and conditions of appointment of Independent Directors has been disclosed on the website of the Company i.e. www.kecrpg.com.

Criteria for performance evaluation of Independent Directors

Performance evaluation of Independent Directors is done by the entire Board, excluding the Independent Director being evaluated. The Nomination and Remuneration Committee has laid down the evaluation criteria for performance evaluation of Independent Directors of the Company, which *inter alia* includes active and consistent participation in the Board Meetings, sharing of knowledge and experience which has bearing on the performance of the Company, positive and constructive discussion, ethical practices etc.

Separate Meeting of Independent Directors

Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, mandates the Independent Directors of the Company to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of the management. The Independent Directors have held their meeting on March 12, 2021, which was chaired by Mr. A. T. Vaswani, Lead Independent Director wherein the Independent Directors *inter alia* discussed the following:

a. Evaluation of the performance of Non-Independent Director and the Board as a whole;

b. Evaluation of the performance of Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors; and

c. Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this meeting through Video Conferencing.

Familiarization Programme for Independent Directors

Newly appointed Directors are provided with an appointment letter along with an induction kit setting out their roles, function, duties and responsibilities and copies of the Code of Business Conduct, Insider Trading Code and other policies as may be applicable to them. Presentations are made by Senior Management Personnel of the Company to the Independent Directors covering nature of industry, business model, business performance and operations, challenges & opportunities available, etc. Certain programmes are merged with the Board/ Committee meetings for the convenience of the Directors. Separate programmes are also conducted for them as per their requirement. In order to familiarize the Independent Directors with the business of the Company, presentations are being made by the Strategic Business Unit ("SBU") Heads at every Board Meeting in respect of the business under their SBUs.

On an on-going basis, periodic presentations are made at the Board and Committee meetings by either Senior Management Personnel or external experts on matters *inter alia* covering performance updates of the Company, industry scenario, business strategy, operational review of major operating subsidiaries, forex and commodity exposure, updates on capital expenditure, internal control and strategic and operational risks involved and its mitigation plan, major litigations, major achievements, etc.

Further, as a part of Familiarization Programme, regular updates on relevant statutory and regulatory changes encompassing important laws are presented to the Directors. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions. As a part of deeper engagement, the Board Members also interact with the senior management team on various critical issues having impact on the Company's operations.

The Board has adopted a Policy on Familiarization Programme for the Independent Directors which aims to provide significant insight into the business of the Company. The details of familiarization programmes imparted to Independent Directors during the financial year 2020-21 are available at the Company's website and can be accessed at https://www.kecrpg.com/KEC%20data/Investor%20relations/Familiarization%20Programme%20for%20Independent%20Directors.pdf.

Information placed before the Board

All the information that is required to be made available to the Directors in terms of provisions of the SEBI Listing Regulations and the Act, so far as applicable to the Company, is made available to the Board. The quarterly compliance report on Corporate Governance filed with Stock Exchanges and the Compliance certificate in respect of applicable laws are placed before the Board in terms of the SEBI Listing Regulations.

Key decisions taken by the Board and its Committees are promptly communicated to the concerned departments or divisions. Action taken/status reports on decisions of the previous meeting(s) are placed at the next meeting(s) for information and further recommended actions, if any.

Details of Director(s)

In compliance with Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings, the brief resume, expertise in specific functional areas, disclosure of relationships between directors inter-se, details of Directorships and Membership in Committees of other companies (excluding foreign companies) and shareholding in the Company, of the Director(s) proposed to be re-appointed are given in the Notice convening the ensuing Annual General Meeting.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company, which helps them to observe the highest standards of ethical conduct along with integrity and to work to the best of their ability and judgment for ethical conduct of the business and compliance of the applicable laws. The Code incorporates the duties of Independent Directors as laid down in the Act.

The said Code is available at the Company's website www.kecrpg.com under 'Investors' tab. Further, Senior Management Personnel are also required to disclose to the Board relating to all material financial and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the Company at large. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct on an annual basis. A declaration to this effect duly signed by the Managing Director & CEO forms part of this Annual Report.

Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, and amendments thereof, the Board has formulated and adopted the Code of Fair Disclosure, Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders ("the Code"). The Code lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The Code aims at preserving and preventing misuse of Unpublished Price Sensitive Information ('UPSI'). All Directors and other Designated Persons and their immediate relatives as well as connected persons of the Company are covered under the Code, which provides *inter alia* for disclosures and obtaining pre-clearances for trading in securities of the Company by the Directors and other Designated Persons of the Company. The Code provides for the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, other Designated Persons and connected persons, while in possession of UPSI in relation to the Company and during the period when the trading window is closed. The Code was communicated to all concerned. Trading window closures, i.e. when the concerned persons are not permitted to trade in the securities of the Company, are intimated in advance, on a timely basis and the same is also intimated to the Stock Exchanges on a periodic basis. The Company has taken awareness initiatives for its functional employees on the various aspects of the Code through e-module and periodic webinars. The Code is intended to serve as a guideline to all persons connected with the Company, which they should imbibe and practice, both in letter and spirit, while trading in the securities of the Company.

The Company has set forth procedures and implementation of the Code for trading in Company's securities. PAN based online tracking mechanism for monitoring of the trade in the Company's securities by the Designated Person(s) and their relatives has also been put in place to ensure real time detection and taking appropriate action, in case of any violation/non-compliance of the Company's Insider Trading Code.

Directors and other Designated Persons of the Company provide disclosure on an annual basis about the number of shares held by them along with their immediate relatives in the Company. Further, they also declare that they are aware of the compliances under the Code and there was no non-compliance under the Code in the previous financial year.

Board Committees

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on diverse matters. The Board has established various Committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Finance Committee.

Each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers and duties and responsibilities. The terms of reference of these Board Committees are reviewed and determined by the Board, from time to time.

The recommendations of the Committee(s) are submitted to the Board for its approval. The Chairman of respective Committee updates the Board regarding the discussions held/decisions taken at the Committee Meeting. The Board of Directors have confirmed that during the year, all recommendations of the Committee(s) were duly considered and approved by the Board of Directors and none of the recommendation made by any of the Committees has been rejected by the Board. The minutes of the meetings of all Committees are circulated to the Board for discussion/ noting/ratification.

(A) Audit Committee

Composition

The Audit Committee comprises of 3 Independent Directors as its members, with requisite financial, legal and management expertise. The Committee composition as on March 31, 2021 is as under:

Name of the Member	Position	Category
Mr. A. T. Vaswani	Chairman	Independent Director
Mr. Ramesh Chandak	Member	Independent Director
Mr. S.M. Trehan	Member	Independent Director

All members of Audit Committee are financially literate and the Chairman of the Audit Committee has accounting and related financial management expertise and the composition of the Committee is in compliance with the requirements of Section 177 of the Act and the Regulation 18(1) of the SEBI Listing Regulations.

Representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites the Managing Director & CEO, Chief Financial Officer, Internal Auditors and Cost Auditors as and when their presence at the meeting of the Committee is considered appropriate. On some occasions, it also meets without the presence of any Executives of the Company.

The Company Secretary of the Company acts as the Secretary to the Committee.

Meetings

During the year under review, eight meetings of the Audit Committee were held on May 12, 2020, May 28, 2020, August 10, 2020, August 25, 2020, November 04, 2020, November 30, 2020, January 28, 2021 and March 23, 2021. These meetings of Audit Committee were attended by all the members of the Committee. The Chairman of the Audit Committee was present at the Fifteenth Annual General Meeting to answer shareholders' queries. The Committee has also approved proposals through circulation in case of exigencies.

Terms of reference

The role and terms of reference of the Audit Committee, specified by the Board, are in conformity with the requirements of Schedule II Part C of the SEBI Listing Regulations and Section 177 of the Act. The Committee acts as a link between the Statutory and Internal Auditors and the Board.

The Audit Committee assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of Statutory Auditors, Branch Auditors, Cost Auditors, reviewing systems of internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Audit Committee reviews independence of Statutory Auditors and adequacy of the Internal Audit at regular intervals.

The Audit Committee has reviewed management discussion and analysis of financial condition and results of operations, statement of related party transactions as submitted by the management, and other information as mentioned in Part C of Schedule II of SEBI Listing Regulations.

The Audit Committee is authorized to:

1. investigate any activity within its terms of reference;
2. seek information from any employee of the Company or its subsidiaries;
3. obtain outside legal or other professional advice; and
4. secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of Audit Committee includes the following:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Review with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
    a) matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of sub-section 5 of Section 134 of the Act;

    b) changes, if any, in accounting policies and practices, and reasons for the same;
    c) major accounting entries involving estimates based on the exercise of judgment by management;
    d) significant adjustments made in the financial statements arising out of audit findings;
    e) compliance with listing and other legal requirements relating to financial statements;
    f) disclosure of any related party transactions; and
    g) modified opinions in the draft audit report.
5. Review with the management, the quarterly financial statements before submission to the Board for approval.
6. Review of management discussion and analysis of financial condition and results of operations.
7. Review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, qualified institutional placement etc.), and making appropriate recommendations to the Board to take up steps in this matter.
8. Review the quarterly statement of deviation(s) including report of monitoring agency, if applicable, in terms of Regulation 32(1) of the SEBI Listing Regulations, being submitted to the Stock Exchange(s).
9. Review the annual statement of funds utilized for purpose other than those stated in the offer document/prospectus in terms of Regulation 32(7) of the SEBI Listing Regulations.
10. Review and monitoring the auditor's independence and performance and effectiveness of audit process.
11. Approval or any subsequent modification, ratification of transactions of the Company with related parties including review of statement of significant related party transactions submitted by the management.
12. Scrutiny of inter-corporate loans and investments.
13. Review financial statements, in particular the investments made by the Company's unlisted subsidiaries.
14. Review the utilization of loans and/or advances from/investment made by the Company in its subsidiary exceeding ₹ 100 crore or 10% of the total gross assets of the subsidiary, whichever is lower including existing loans/advances/ investment or such other limit as may be prescribed from time to time.
15. Valuation of undertakings or assets of the Company, wherever it is necessary.
16. Evaluation of internal financial controls and risk management systems.
17. Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
18. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
19. Review internal audit reports relating to internal control weaknesses and discussion with internal auditors regarding any significant findings and follow up thereon.
20. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
21. Review management letters/letters of internal control weaknesses issued by the statutory auditors.
22. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
23. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
24. Review the functioning of vigil mechanism/ whistle blower mechanism for the Directors and employees to report their genuine concerns or grievances and provide mechanism for adequate safeguards against victimization.
25. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
26. Review the appointment, removal and terms of remuneration of the chief internal auditor.
27. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
28. Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.

(B) Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee comprises of 3 Independent Directors as its members. The Committee composition as on March 31, 2021 is as under:

Name of the Member	Position	Category
Mr. S. M. Trehan	Chairman	Independent Director
Mr. A. T. Vaswani	Member	Independent Director
Mr. Ramesh Chandak	Member	Independent Director

The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178 of the Act and Regulation 19(1) of the SEBI Listing Regulations.

Meetings

During the year under review, the Committee met three times during the year on May 28, 2020, June 26, 2020 and December 18, 2020 and all the members of the Committee were present at the meetings. The Committee has also approved proposal(s) through circulation in case of exigencies.

The Chairman of the Nomination and Remuneration Committee was present at the Fifteenth Annual General Meeting of the Company, to answer the shareholders' queries.

Terms of Reference:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees.
2. Identify persons who are qualified to become Directors and recommend their appointment to the Board.
3. Recommend to the Board, appointment and removal of KMPs or SMPs in accordance with the criteria laid down.
4. Recommend to the Board, remuneration payable to Directors, KMPs and SMPs in accordance with the Nomination and Remuneration Policy.
5. Formulate the criteria for effective evaluation of performance of Board of Directors, its Committees and individual Directors, to be carried out either by the Board or by NRC or through an independent external agency and review its implementation and compliance.
6. Determine whether to extend or continue the term of appointment of the Independent Director, based on the report of performance evaluation of Independent Directors.
7. Devise a policy on diversity of Board of Directors.
8. Opine whether the Director possess the requisite qualification, as required under Section 197(4)(b).
9. Carry out functions as may be entrusted (i) by the Board of Directors from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013 (iii) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as may be amended from time to time.

Remuneration Policy and other terms of appointment of Directors

Executive Director

The remuneration payable to the Managing Director & CEO is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Members of the Company. The remuneration structure of Managing Director & CEO comprises of salary, perquisites, allowances, performance bonus, and contribution to provident, superannuation and gratuity funds. Payment of remuneration to the Managing Director & CEO is governed by the Agreement executed between him and the Company. The Agreement may be terminated by either party, by giving a notice in writing of not less than four months or by paying the basic salary in lieu thereof.

Details of remuneration paid to the Managing Director & CEO during financial year 2020-21

(₹ in Crore)

Name	Salary and Allowance	Performance Bonus[1]	Perquisites[2]	Contribution to Provident and other Funds	Total[3]
Mr. Vimal Kejriwal	4.93	1.93	0.26	0.07	7.19

Note(s):

(1) Based on performance of financial year 2019-20.

(2) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.

(3) Excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

Non-Executive Directors

The Non-Executive Directors ("NEDs") including Independent Directors are paid remuneration by way of commission. They are also paid sitting fees on a uniform basis for attending various meetings of the Board and the Committees thereof.

Commission paid to the NEDs

The NEDs of the Company are having diversified & rich knowledge and experience and have contributed in a very significant way in the growth process of the Company. They add substantial value to the Company through their contribution to the Management of the Company and thereby they safeguard the interests of the investors at large by playing an appropriate control role. In view of valuable contributions being made by the NEDs (including Independent Directors) in running the business affairs of the Company, the Board of Directors at its meeting held on May 11, 2021, has approved the payment of commission to NEDs of 1 percent of net profits in the financial year 2020-21, computed in accordance with the Section 198 of the Act. The commission is generally paid on a uniform basis, to reinforce the principles of collective responsibility of the Board. The Nomination and Remuneration Committee has recommended a higher commission for the Chairman of the Board of Directors, taking into consideration his overall contribution, vision and thought leadership in achieving short term growth, long term sustainability, high standards of corporate governance, innovation, brand visibility and in diversifying the Company's business. In determining the commission payable, the Committee also takes into consideration overall performance and achievements of the Company and onerous responsibilities required to be shouldered by the Directors. The policy framed by the Nomination and Remuneration Committee of the Board of Directors including the criteria for making payments to the NEDs is set out as an Annexure to the Directors' Report.

Details of sitting fees and commission paid to Non-Executive Directors are given below:

(₹ in Crore)

Name of the Director	Financial Year 2020-21	
	Sitting Fees	Commission[1]
Mr. Harsh V. Goenka	0.05	8.42
Mr. A. T. Vaswani	0.11	0.12
Mr. Dilip G. Piramal	0.05	0.12
Mr. G. L. Mirchandani	0.05	0.12
Mr. M. S. Unnikrishnan	0.05	0.12
Ms. Nirupama Rao	0.05	0.12
Mr. Ramesh Chandak	0.12	0.12
Mr. S. M. Trehan	0.12	0.12
Mr. Vikram Gandhi	0.02	0.12

Note:

(1) Commission for financial year 2020-21 is being paid in financial year 2021-22. Commission to Mr. Harsh V. Goenka is subject to approval of the Members at the ensuing AGM.

The Non-Executive Directors were paid sitting fees of ₹ 1,00,000/- for each Board meeting, ₹ 50,000/- for Audit Committee meeting, ₹ 25,000/- for other Committee meetings, except for Finance Committee where ₹ 5,000/- is paid for each meeting. The Managing Director & CEO was not paid any sitting fees for any of the meetings of Board or Committee attended by him.

Equity Shares held by the Directors

Except as stated hereunder, none of the Directors hold any shares in the Company as on March 31, 2021:

Name of the Director	No. of shares held
Mr. Harsh V. Goenka[1]	5,042,917
Mr. Harsh V. Goenka, Trustee of Stellar Energy Trust	100
Mr. Harsh V. Goenka, Trustee of Nucleus Life Trust	1
Mr. Harsh V. Goenka, Trustee of Secura India Trust	1
Mr. Harsh V. Goenka, Trustee of Prism Estate Trust	1
Mr. Harsh V. Goenka, Trustee of Ishaan Goenka Trust	10
Mr. Harsh V. Goenka, Trustee of Navya Goenka Trust	10
Mr. Harsh V. Goenka, Trustee of AVG Family Trust	10
Mr. Harsh V. Goenka, Trustee of RG Family Trust	10
Mr. Harsh V. Goenka[2]	3,750
Mr. Vimal Kejriwal[3]	875
Mr. Ramesh Chandak	5

Note(s):

(1) 4,108,974 shares held jointly with Mrs. Mala Goenka and Mr. Anant Vardhan Goenka.

(2) Held in trust on behalf of certain shareholders against their rights of Equity Shares of the erstwhile RPG Transmission Limited, since merged with the Company in the year 2007-08, kept in abeyance under Section 206A(b) of the erstwhile Companies Act, 1956, due to pending court cases/issues. These shares were initially held by Mr. J. M. Kothary and transferred to Mr. Harsh V. Goenka, upon cessation of directorship of Mr. J. M. Kothary.

(3) Held as second holder jointly with his spouse Mrs. Sunita Kejriwal.

The Company does not have any Stock Option Scheme.

(C) Stakeholders' Relationship Committee

Composition

The composition of Stakeholders' Relationship Committee and its terms of reference comply with the requirement of Regulation 20 of the SEBI Listing Regulations and with the provisions of Section 178 of the Act. The Committee composition as on March 31, 2021 is as under:

Name of the Member	Position	Category
Mr. Ramesh Chandak	Chairman	Independent Director
Mr. S. M. Trehan	Member	Independent Director
Mr. Vimal Kejriwal	Member	MD & CEO

Meetings

During the year under review, two meetings of the Stakeholders' Relationship Committee were held on August 25, 2020 and March 31, 2021. These meetings were attended by all members of the Committee. The Committee has also approved proposals through circulation in case of exigencies.

The Chairman of the Stakeholders' Relationship Committee was present at the Fifteenth Annual General Meeting of the Company, to answer the shareholders' queries.

The Stakeholders' Relationship Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

Terms of Reference

1. Consider and resolve the grievances of the security holders *inter alia* consisting of shareholders, debenture-holders, deposit holders, etc. of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review measures taken for effective exercise of voting rights by shareholders.
3. Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Consider and approve issue of duplicate share certificates in lieu of those lost or destroyed.
6. Approve and/or reject the transfer or transmission of securities of the Company and authorize the Compliance officer and/or the Registrar & Share Transfer Agent of the Company for the same.
7. Issue of duplicate certificates, Remat Share Certificates, and certificates to be issued in accordance with Sub-rule 3 of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.
8. Oversee compliances in respect of transfer of unclaimed amounts and shares to and from the Investor Education and Protection Fund.
9. Carry out all the functions as may be entrusted by (i) the Board of Directors from time to time; and (ii) by virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.

The work relating to share transfer etc. is being looked after by Link Intime India Private Limited, Registrar and Share Transfer Agent.

Name and Designation of the Compliance Officer

Mr. Amit Kumar Gupta, Company Secretary acts as Compliance Officer of the Company in terms of Regulation 6 of the SEBI Listing Regulations. He is also appointed as the Nodal Officer of the Company in terms of Investor Education and Protection Fund Rules.

Statement of Investors' Grievance

No. of complaints pending at the beginning of the financial year 2020-21	Nil
No. of complaints received during the financial year 2020-21	7
No. of complaints resolved to the satisfaction of shareholders during the financial year 2020-21	7
No. of complaints pending to be resolved at the end of the financial year 2020-21	Nil

(D) Corporate Social Responsibility Committee

Composition

In terms of Section 135 of the Act, the Board has constituted the Corporate Social Responsibility ("CSR") Committee. The Committee composition as on March 31, 2021 is as under:

Name of the Member	Position	Category
Mr. Ramesh Chandak	Chairman	Independent Director
Mr. S. M. Trehan	Member	Independent Director
Mr. A. T. Vaswani	Member	Independent Director

Meetings

During the year under review, two meetings of the CSR Committee were held on May 28, 2020 and March 17, 2021. The meetings were attended by all the members of the Committee.

Terms of Reference

1. To formulate and recommend to the Board of Directors, a CSR Policy, *inter alia* a statement containing the approach and direction given by the Board, and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the Annual Action Plan.
2. To recommend to the Board an Annual Action Plan in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, *inter alia* including the amount of expenditure to be incurred on CSR activities, list of projects to be undertaken within the purview of Schedule VII to the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization, project implementation schedules, monitoring and reporting mechanism etc.
3. To review the CSR policy of the Company from time to time.
4. Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013 and any other applicable provisions of Laws, as amended from time to time.

(E) Risk Management Committee

Composition

The Company has a well-defined risk management framework in place which works at various levels across the Company. This framework is periodically reviewed to ensure that executive management controls risks by means of a properly defined framework. The Company also has a risk management policy to mitigate the risks in commodities and foreign exchange. In terms of Regulation 21 of the SEBI Listing Regulations, the Board has constituted a Risk Management Committee which consist of the following directors as on March 31, 2021:

Name of the Member	Position	Category
Mr. A.T. Vaswani	Chairman	Independent Director
Mr. S. M. Trehan	Member	Independent Director
Mr. Ramesh Chandak	Member	Independent Director

Meetings

During the year, two meetings of the Committee were held on August 10, 2020 and March 23, 2021 and the same were attended by all the members of the Committee.

Terms of Reference

The function and powers of the Committee *inter alia* includes:

1. Framing, implementing, monitoring and reviewing Risk Management plan, policies, systems and framework of the Company.
2. Validating, evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks.
3. Reviewing the measures taken for risk management and mitigation plan and monitor effectiveness thereof.
4. Carrying out all the functions as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

(F) Finance Committee

Composition

The Committee as on March 31, 2021 consists of three Directors as follows:

Name of the Member	Position	Category
Mr. Ramesh Chandak	Chairman	Independent Director
Mr. S. M. Trehan	Member	Independent Director
Mr. Vimal Kejriwal	Member	MD & CEO

Meetings

During the year under review, six meetings of the Finance Committee were held on June 26, 2020, August 25, 2020, October 16, 2020, December 14, 2020, January 21, 2021 and March 11, 2021.

These meetings were attended by all the members of the Committee. The Committee has also approved proposals through circulation in case of exigencies.

The Finance Committee is formed to authorize grant of Power of Attorney to executives, to approve various facilities as and when granted by the Banks within the overall borrowing limits as approved by shareholders of the Company and execution of documents for these facilities.

Terms of Reference

1. Issue power of attorney(ies) to authorize the representatives/employees of the Company in relation to tenders, branch office(s) or project site office(s) operational requirements, execution and/or operations of contracts/projects, excise, customs and shipping matters, financial and taxation matters, matters related to income tax, service tax, sales tax and excise matters and other Central and State laws and such other purposes relating to day to day operations of the Company.
2. Approve issuance of corporate guarantees as may be required in the ordinary course of business of the Company.
3. Approve the opening/closure of Branch Office(s) of the Company in India or outside India in connection with the business of the Company and to do all such other acts in relation to the Branch Office(s) of the Company.

4. Approve and pass necessary Resolutions relating to following matters:
   a) To open, authorize to operate, modify the operating authorities, issue necessary instructions to banks and close various Bank Account(s) in the name of the Company as per the business requirements;
   b) To transact foreign exchange swaps, options, futures, forwards and any other derivatives, as permissible under "Forex and Commodity Risk Management Policy" adopted by the Board of Directors, that may from time to time be used as tools to hedge the Company's interest and foreign exchange exposures arising in the ordinary course of the business of the Company;
   c) Enter into one or more transactions/agreements with Banks and/or Exchange Houses in domestic and international market(s) relating to futures, forward, options, swaps etc., and combination(s) thereof in Steel, Aluminum, Zinc, Copper or any other commodities, as per the requirements in the ordinary course of the business of the Company and in accordance with provisions of the Reserve Bank of India Act 1945 and any other laws as may be applicable and guidelines, notifications, circulars, regulations or approval(s) etc. issued from time to time by any regulatory authority and as permissible under "Forex and Commodity Risk Management Policy" adopted by the Board of Directors;
   d) To approve borrowing by way of long term or short term loans, inter corporate deposits or any kind of financial assistance and fund and/or non fund based working capital credit facility(ies) repayable on demand/temporary or otherwise, in any currency, from bank(s) and/or institution(s) and/or other lenders from time to time and to create charge/security/mortgage on the immovable/movable properties of the Company to secure such loans/inter corporate deposits/financial assistance/credit facility (ies) as may be required in terms of each of the sanctions by the said bank(s) and/or financial institution(s) and/or other lenders, subject to an overall limit of ₹ 20,000 Crore (Rupees Twenty Thousand Crore only);
   e) To approve investment in the shares of subsidiary(ies) (including stepdown subsidiary(ies)) and/or Joint Venture(s) of the Company, granting of loans to them, issuing guarantees or providing any security in respect of financial assistance availed by them, within the overall limit of ₹ 4000 Crore and subject to recommendation of Managing Director & CEO or Chief Financial Officer, and to authorise employee(s)/representative(s) of the Company for executing various deeds, documents, papers, undertakings as may be required for the purpose of implementing the decisions in this regard;
   f) To invest in the equity shares or equity convertible instruments of the Bodies Corporate, for the purpose of undertaking the projects on BOOM, BOLT, BOT, BOOST and BOOT or any such other basis, (within the overall limit as stated above) and to sell/transfer the equity shares/equity convertible instruments invested/purchased/acquired by the Company for the above purpose;
   g) To authorise the employee(s)/representative(s) for the purpose of bidding and execution of the project(s) undertaken in consortium, joint venture and also to authorise the employee(s)/representative(s) to sign Memorandum of Understanding, Consortium Agreement, Joint Venture agreement, such other documents required to be signed on behalf of the Company and enter into liability against the Company and/or do any other act on behalf of the Company, required for the above said purpose.
5. Approve all other matters & issues of urgent nature arising in the ordinary course of the business of the Company.

Subsidiary Companies

The Company has the following three unlisted material subsidiaries as on March 31, 2021 as per Regulation 16 (1) (c) of SEBI Listing Regulations:

a) SAE Towers Holdings LLC
b) SAE Towers Brazil Torres de Transmissao Ltda
c) KEC Investment Holdings

The Company has formulated a Policy for Determining Material Subsidiaries, which is disclosed on the Company's website and can be accessed at: https://www.kecrpg.com/KEC%20data/Investor%20relations/Policy%20for%20determining%20material%20subsidiaries.pdf.

In accordance with Regulation 24(1) of SEBI Listing Regulations, Mr. Ramesh Chandak, Independent Director of the Company has been nominated as an Independent Member of the Managing Committee of SAE Towers Holdings LLC and as an Independent Director on the Board of KEC Investment Holdings.

The Company has seventeen subsidiaries as on March 31, 2021, comprising of eight direct subsidiaries and nine step down subsidiaries. The minutes of Board Meetings as well as the statements of all significant transactions of unlisted subsidiary companies are being placed before the Board of Directors of the Company for its review from time to time. The Audit Committee reviews the financial statements of the subsidiary companies.

General Body Meetings

Location and time of Annual General Meetings

Financial Year	Date	Time	Location
2019-20	August 07, 2020	03:00 p.m.	Held through Video Conferencing
2018-19	July 23, 2019	03:30 p.m.	Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025
2017-18	July 30, 2018	03:00 p.m.	

Special Resolutions passed in the last three Annual General Meetings

In AGM held on August 07, 2020, three Special Resolutions were passed as under:

1. Re-appointment of Mr. A. T. Vaswani (DIN: 00057953) as an Independent Director.
2. Re-appointment of Ms. Nirupama Rao (DIN: 06954879) as an Independent Director.
3. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman.

In AGM held on July 23, 2019, eight Special Resolutions were passed as under:

1. Appointment of Mr. Ramesh Chandak (DIN: 00026581) as an Independent Director.
2. Re-appointment of Mr. G. L. Mirchandani (DIN: 00026664) as an Independent Director.
3. Re-appointment of Mr. Dilip G. Piramal (DIN: 00032012) as an Independent Director.
4. Re-appointment of Mr. S. M. Trehan (DIN: 00060106) as an Independent Director.
5. Re-appointment of Mr. Vinayak Chatterjee (DIN: 00008933) as an Independent Director.
6. Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO.
7. Approval of Commission to Mr. Harsh V. Goenka, Non- Executive Chairman.
8. Approval for payment of Commission to Non-Executive Directors.

In AGM held on July 30, 2018, four Special Resolutions were passed as under:

1. Continuation of Directorship of Mr. A. T. Vaswani (DIN: 00057953) post attainment of age of seventy-five years.
2. Continuation of Directorship of Mr. S. M. Kulkarni (DIN: 00003640) post attainment of age of seventy-five years.
3. Continuation of Directorship of Mr. G. L. Mirchandani (DIN: 00026664) post attainment of age of seventy-five years.
4. Issuance of Non-Convertible Debentures on Private Placement Basis.

Postal Ballot

No Special Resolutions were passed by way of Postal Ballot in the last three financial years.

Further, none of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through postal ballot.

III. DISCLOSURES

Related Party Transactions

The Company has formulated a Policy on Related Party Transaction and the same is available at the Company's website and can be accessed at https://www.kecrpg.com/KEC%20data/Investor%20relations/Policy%20on%20Related%20Party%20Transactions.pdf.

Transactions with related parties entered in the ordinary course of business and at arms' length basis have been disclosed in Note No. 54 of the Standalone Financial Statements of the Company.

Materially Significant Related Party Transactions

There are no materially significant related party transactions entered into by the Company with its Directors/Key Managerial Personnel or their respective relatives, the Company's Promoter(s), its subsidiaries/joint ventures/associates or any other related party, that may have a potential conflict with the interest of the Company at large.

Whistle Blower Policy/Vigil Mechanism

In line with the provisions of the SEBI Listing Regulations, the Act and other SEBI Regulations and principles of good governance, the Company has formulated a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company. The Policy provides for framework and process to encourage and facilitate employees and Directors to voice their concerns or observations without fear, or raise reports to the Management, of instance of any unethical or unacceptable business practice or event of misconduct/unethical behaviors, actual or suspected fraud and violation of Company's Code of Conduct etc. The Policy provides for adequate safeguards against victimization of persons who avail such mechanism. To encourage employees to report any concerns and to maintain anonymity the Policy provides a dedicated email id wherein the grievances or concerns can be reported to the Corporate Governance and Ethics Committee (CGEC), constituted for the administration and governance of the Policy. The Policy also facilitates direct access to the Chairman of the Audit Committee in appropriate or exceptional cases through a dedicated email id.

During the year under review, none of the personnel has been denied access to the Chairman of the Audit Committee.

The Policy is placed on the website of the Company at www.kecrpg.com under 'Investors' tab.

Commodity price risk and hedging activities

Exposure of the Company to commodity and commodity risks throughout the financial year 2020-21 were as under:

a) Total exposure to commodities: ₹ 4,740 Crore

Exposure to various commodities were as under:

Commodity Name	Exposure (₹ in Crore)	Exposure in Quantity (MT)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Steel	791	185,406	-	-	-	-	-
Aluminium	602	42,046	-	-	94	-	94
Copper	424	8,800	-	-	94	-	94

***Note:** The derivatives does not include 96,756 MTs of Steel, 486 MTs of Aluminium and 1,218 MTs of Copper pertaining to projects which have a price variation clause.*

b) Commodity risks faced and managed by the Company during the year

The Company is exposed to movement in metal commodity prices of Steel, 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 minimises the risk. 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 (LME) directly.

Credit Ratings

List of credit ratings obtained by the Company along with any revisions thereto during FY 2020-21 are given below:

Ratings	Instruments/Facilities	
	Long Term Facilities	Short Term Facilities
ICRA	AA-/Stable	A1+
CARE Ratings Ltd.	AA-/Stable	A1+
CRISIL	-	A1+
India Ratings & Research	-	IND A1+

Note(s):

1) *Ratings by various agencies are subject to regular revisions. Kindly refer to the respective agencies' website for the latest ratings.*
2) *Rating "AA" (Long term facilities) - High degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.*
3) *Rating "A1+" & "IND A1+" (Short term facilities) - Very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.*

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network entity of which the Statutory Auditor is a part are given below:

Name of Statutory Auditor and network entity	Type of Services	Name of Company or its subsidiaries obtaining the service	Amount (₹ in Crore)
Price Waterhouse Chartered Accountants LLP	Audit Service	KEC International Limited	1.17
	Other Services (Tax audit, Certification & reimbursement)	KEC International Limited	1.81
Pricewaterhouse Coopers, Jordan	Audit Service	KEC International Limited - Jordan Branch	0.15
TOTAL			**3.13**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has formulated a Policy for Prevention of Sexual Harassment at Workplace which is in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to ensure prevention, prohibition and redressal against sexual harassment. Awareness programmes are organized by the Company to sensitize employees. During the year under review, no complaints of any nature were received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Details of non-compliance by the Company, penalties and strictures imposed, if any

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by SEBI or by any other Statutory Authorities on any matters related to capital markets during the last three years.

Apart from complying with the mandatory requirements prescribed by the SEBI Listing Regulations, the Company has complied with the following non-mandatory requirements:

- The Chairman, being a Non-Executive Director, is entitled to maintain a Chairperson's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
- The Company's Financial Statements for the year ended March 31, 2021 are with unmodified audit opinion.
- The Internal Auditor reports directly to the Audit Committee in all matters relating to Internal Audit.

The requirement to provide details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations is not applicable to the Company.

CEO/CFO certification

Certificate from Mr. Vimal Kejriwal, Managing Director & CEO and Mr. Rajeev Aggarwal, Chief Financial Officer, in terms of Regulation 17(8) of the SEBI Listing Regulations, for the financial year 2020-21 was placed before the Board at its meeting held on May 11, 2021, and also forms part of this Annual Report.

IV. MEANS OF COMMUNICATION

Quarterly Results

As on March 31, 2021, the Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

The Company from time to time and as may be required, communicates with its investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, the Annual Reports, Press Releases and uploading relevant information on its website.

The quarterly financial results are announced through Press Releases sent to leading media publications. The results along with the notes are furnished on a quarterly basis to the Stock Exchanges as per the format prescribed and within the time period stipulated under Regulation 33(3) of the SEBI Listing Regulations. The Company discloses all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the SEBI Listing Regulations including material information having bearing on the performance/operations of the Company and other price sensitive information. Information to Stock Exchanges is filed electronically on the online portals of BSE Limited i.e. BSE Corporate Compliance & Listing Centre (Listing Centre) and National Stock Exchange of India Ltd. i.e. NSE Electronic Application Processing System (NEAPS).

Newspapers wherein financial results are being published

Financial Results	Un-audited/Audited	Newspapers
First Quarter	Un-audited	Business Standard, Free Press Journal and Nav Shakti
Second Quarter	Un-audited	Business Standard, Free Press Journal and Nav Shakti
Third Quarter	Un-audited	Business Standard, Free Press Journal and Nav Shakti
Fourth Quarter/ Full Year	Un-audited/Audited	Business Standard, Free Press Journal and Nav Shakti

The financial results are also displayed on the Company's website www.kecrpg.com under 'Investors' tab.

Company's Website

The Company's corporate website www.kecrpg.com depicts comprehensive information about the business activities of the Company. The website contains a separate dedicated section "Investors" where shareholder related information disseminated to the Stock Exchange is available such as financial results, Annual Reports, shareholding patterns, quarterly compliance reports on Corporate Governance, schedule of analyst or institutional investor meet and presentations made by the Company on the quarterly financial results. Information available also includes credit ratings, the policies framed by the Company under various laws and regulations, contact information of the Nodal Officer and Designated Officials responsible for assisting and handling investor grievances, email address for grievance and redressal and other relevant details, details of familiarization programs imparted to Independent Directors.

The achievements and important events such as receipt of major orders by the Company etc. are announced through press & electronic media and also posted on the Company's website.

A separate section on the Company's website gives information on unclaimed dividends and details of shares transferred to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs.

All other press coverage and news release are communicated by the Company through its corporate website. Corporate presentations made to Institutional Investors/Analysts at Investor Meets organized by the Company are also hosted on the website for wider dissemination. The means of communication between the Company and the shareholders are transparent and investor friendly and the Company takes all possible endeavors to inform its stakeholders about every material information having bearing on the performance and operations of the Company and other price sensitive information.

The Company has also uploaded Frequently Asked Questions (FAQs) giving information about the Company and the procedure to be followed by the Investors for transmission, dematerialisation, procedure to claim shares and dividend transferred to IEPF etc. for the convenience of the Investors.

V. GENERAL SHAREHOLDERS INFORMATION

Date, time and venue of Annual General Meeting	August 04, 2021 at 4:00 p.m. Through Video Conferencing
Financial Year	April 01 - March 31
Financial Calendar:	
First quarter results	By second week of August 2021*
Second quarter results	By second week of November 2021*
Third quarter results	By second week of February 2022*
Results for the year ending March 2022	By the end of May 2022*
Record Date for the payment of Dividend	Wednesday, July 21, 2021
Dividend Payment Date	The dividend will be paid on or before Thursday, September 02, 2021.

** Tentative*

Status of Listing on Stock Exchanges

The Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE) and annual listing fees have been paid to both the stock exchanges.

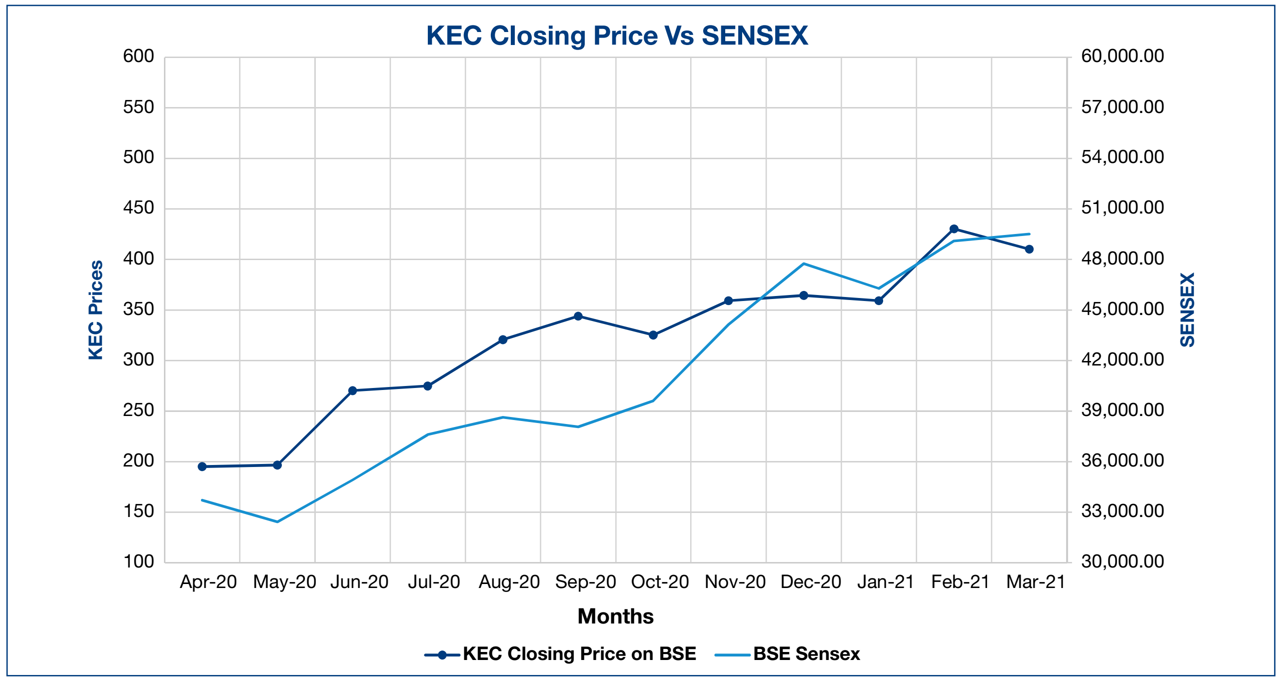
Name and address of the Stock Exchanges	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532714
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	KEC

Further, the Company has listed its Commercial Papers on BSE Limited.

Market price Data -BSE & NSE

Month	BSE		NSE		BSE Sensex
	High (₹)	Low (₹)	High (₹)	Low (₹)	Closing
April 2020	205.80	154.50	205.90	154.05	33,717.62
May 2020	217.00	180.25	215.00	186.80	32,424.10
June 2020	274.80	198.40	274.90	198.45	34,915.80
July 2020	296.65	258.25	296.70	258.00	37,606.89
August 2020	343.65	266.60	344.60	266.55	38,628.29
September 2020	359.15	299.10	359.50	298.50	38,067.93
October 2020	358.75	312.15	358.95	312.10	39,614.07
November 2020	369.15	323.90	369.60	324.10	44,149.72
December 2020	383.70	318.50	384.95	317.55	47,751.33
January 2021	386.00	338.00	386.00	337.65	46,285.77
February 2021	442.95	355.10	444.95	354.50	49,099.99
March 2021	486.45	382.30	486.00	382.00	49,509.15

Performance of Company's Equity Share's price in comparison to BSE Sensex



Registrar and Share Transfer Agent

Link Intime India Private Limited is the Company's Registrar and Share Transfer Agent. Their contact details are as follows:

Link Intime India Private Limited
(Unit: KEC International Limited)
C 101, 247 Park, LBS Marg,
Vikhroli West,
Mumbai - 400 083
Tel: 022 - 49186270
Fax: 022 - 49186060
Email id: rnt.helpdesk@linkintime.co.in

Contact Address for Investors

Shareholders can send their queries regarding Transmission/Dematerialisation of shares and any other correspondences relating to the shares of the Company to the abovementioned address of the Company's Registrar and Share Transfer Agent. Shareholders holding shares in electronic mode should address all correspondences to their respective depository participants.

Share Transfer System

The Stakeholders' Relationship Committee meets on a periodic basis and as an when necessary.

As per direction of SEBI, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository. The acceptance of fresh application for transfer of shares has been discontinued from April 01, 2019 and re-lodgment of transfer deed(s) lodged prior to deadline and returned due to deficiency in the document has also been discontinued after March 31, 2021 as per circular issued by SEBI in this regard. Shareholders who are still holding share certificate(s) in physical form have been advised to dematerialise their shareholding to facilitate transfers and avail other benefits of dematerialisation.

The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI Listing Regulations. These certificates have been submitted to the Stock Exchanges.

As stipulated by SEBI, a Company Secretary in Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

Distribution of Shareholding

Distribution of shares according to size of holding as on March 31, 2021:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	93,579	90.42	8,405,385	3.27
501-1,000	5,748	5.55	4,337,440	1.69
1,001-2,000	2,244	2.17	3,240,601	1.26
2,001-3,000	722	0.70	1,806,045	0.70
3,001-4,000	296	0.29	1,043,673	0.41
4,001-5,000	210	0.20	961,048	0.37
5,001-10,000	330	0.32	2,380,306	0.93
10,001 & above	363	0.35	234,913,872	91.37
Total	**103,492**	**100.00**	**257,088,370**	**100.00**

Categories of Shareholders as on March 31, 2021

Category	No. of Shares Held	% of Shareholding
Promoters	133,210,543	51.82
Mutual Funds/UTI	53,610,583	20.85
Financial Institutions, Insurance Companies and Banks (including Foreign Banks)	10,488,173	4.08
Foreign Institutional Investors	114,057	0.04
Foreign Portfolio Investor	27,535,438	10.71
Foreign Companies	46,425	0.02
General Public	23,130,170	9.00
NRIs/OCBs	1,006,607	0.39
Other Bodies Corporate	3,093,378	1.20
Clearing Members	462,929	0.18
Trusts	411,200	0.16
Foreign Nationals	75	0.00
Alternate Investment Funds	1,615,946	0.63
Hindu Undivided Family	439,158	0.17
Directors and Relatives	5	0.00
Investor Education and Protection Fund	1,922,883	0.75
NBFCs Registered with RBI	800	0.00
Total	**257,088,370**	**100.00**

Unclaimed Shares

As per Regulation 39 read with Schedule VI of the SEBI Listing Regulations, a listed company is required to transfer the unclaimed shares, if any, of its shareholders to an Unclaimed Suspense Account with a depository participant upon serving three reminders to the shareholders. Accordingly, the Company, in compliance of the requirement and after giving three reminders, transferred unclaimed shares to an Unclaimed Suspense Account in dematerialised mode. The voting rights on the shares in the suspense account shall remain frozen till the rightful owners claim the shares. During the financial year 2020-21, few requests to claim these shares were received, which were released after a thorough due diligence. Following are the details of the unclaimed shares at the beginning and at the end of the year and the requests processed during the year:

Particulars	No. of Shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2020	588	126,530
Shareholders who approached the Company for transfer of shares from suspense account during the year	13	5,285
Shareholders to whom shares were transferred from the suspense account during the year	13	5,285
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	225	36,990
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	350	84,255

Dematerialisation of Shares and Liquidity

The Company has executed agreement with both the depositories of the Country i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of its securities under dematerialised mode. The International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE389H01022. As on March 31, 2021, total Equity Shares representing 98.41 percent are held in dematerialised form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments or options, conversion date and likely impact on Equity

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments or options.

Transfer of Unpaid/Unclaimed amounts and shares to Investor Education and Protection Fund

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The Company had sent a reminder to the shareholders at their address registered with the Company to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard were also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, were also uploaded on the Company's website www.kecrpg.com under the 'Investor' Tab.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends which were outstanding for more than 7 consecutive years. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

The Company had dispatched new share certificates to the shareholders of the Company pursuant to the sub-division of each equity share of face value of ₹ 10/- each into 5 equity shares of ₹ 2/- each in the year 2011. Subsequently, in accordance with erstwhile Clause 5A of the Listing Agreement, such shares which remained unclaimed, were transferred to "Unclaimed Suspense Account" ("Suspense Account") of the Company in the year 2013. The Company sent reminders to these shareholders requesting them to claim their shares in order to avoid transfer of their respective shares to IEPF account. During the year, such shares in respect of which dividend remained unclaimed for more than 7 consecutive years have also been transferred to IEPF.

The details of unclaimed dividends and shares transferred to IEPF during the financial year 2020-21 are as follows:

Dividend for the year	Amount of unclaimed dividend transferred (₹)	Number of shares transferred
2012-13	2,385,863	147,640*

**36,990 Equity shares represent the shares which were lying in the Unclaimed Suspense Account of the Company and transferred to demat account of IEPF Authority. The dividend in respect of these shares remained unclaimed for more than 7 consecutive years.*

The shareholders who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and following the procedure to submit their claims, which is available on the website of the Company.

Following are the details of Dividends paid by the Company and their respective due dates of transfer to the IEPF if they remain unclaimed/unencashed by the shareholders:

Dividend for the year	Date of declaration of dividend	% of dividend declared	Last date up to which Shareholders are entitled to claim the dividend
2013-14	July 28, 2014	30	August 28, 2021
2014-15	July 29, 2015	45	August 30, 2022
2015-16 (Interim Dividend)	March 30, 2016	50	April 15, 2023
2016-17	July 26, 2017	80	August 27, 2024
2017-18	July 30, 2018	120	August 31, 2025
2018-19	July 23, 2019	135	August 28, 2026
2019-20 (Interim Dividend)	February 07, 2020	170	March 10, 2027

Registered Office/Correspondence Address of the Company

KEC International Limited
RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
Tel No.: 022 - 66670200; Fax No.: 022 – 66670287
Email id : investorpoint@kecrpg.com
Corporate Identification Number (CIN):
L45200MH2005PLC152061

Plants' Locations			
Transmission Towers	Jaipur Jhotwara Industrial Area Jaipur - 302 012 Rajasthan	Butibori B-190 Industrial Area Butibori - 441 108 Maharashtra	Jabalpur Deori, P. O. Panagarh Jabalpur - 483 220 Madhya Pradesh
Cables	Mysuru Hebbal Industrial Area Hootagalli, Belavadi Post Mysuru - 571 186 Karnataka	Vadodara Village: Godampura (Samlaya) Taluka: Savli - 391 520 Gujarat	
KEC Towers	KEC Towers LLC(1) Plot No 597-653 Dubai Investment Park – 2 Jebal Ali Industrial Area Dubai – UAE		
SAE Towers	SAE Towers Mexico S de RL de CV(1) Arco Vial Saltillo-Nuevo Laredo Km. 24.1 C.P. 66050-79 Escobedo, N. L. Mexico	SAE Towers Brazil Torres de Transmissao Ltda(1) R. Moacyr G. Costa, 15 - Jd. Piemont Sul 32669-722, Betim/MG, Brazil	
Tower Testing Stations	Jaipur Jhotwara Industrial Area Jaipur - 302 012, Rajasthan	Butibori B-215 Industrial Area Butibori - 441 108, Maharashtra	Jabalpur Deori, P. O. Panagarh Jabalpur - 483 220, Madhya Pradesh
	SAE Towers Brazil Torres de Transmissao Ltda(1) R. Moacyr G. Costa, 15 - Jd. Piemont, Sul 32669-722, Betim/MG, Brazil		

Note:

(1) Wholly owned subsidiaries of KEC International Limited

DECLARATION – CODE OF CONDUCT

All Board members and Senior Management personnel have, for the year ended March 31, 2021, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Vimal Kejriwal
Managing Director & CEO
(DIN: 00026981)

Place: Mumbai
Date: May 11, 2021

CEO/CFO CERTIFICATE

The Board of Directors
KEC International Limited

We certify to the Board that:

A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

1) significant changes, if any, in internal control over financial reporting during the year;

2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Vimal Kejriwal
Managing Director & CEO
(DIN: 00026981)

Rajeev Aggarwal
Chief Financial Officer

Place: Mumbai
Date: May 11, 2021

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DEBARMENT OR DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
KEC INTERNATIONAL LIMITED
RPG House, 463, Dr. Annie Besant Road,
Worli, Mumbai 400030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KEC INTERNATIONAL LIMITED** having **CIN L45200MH2005PLC152061** and having registered office at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400030 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company *
1.	H. V. Goenka	00026726	January 12, 2006
2.	Vimal Kejriwal	00026981	April 01, 2015
3.	A.T. Vaswani	00057953	January 12, 2006
4.	D.G. Piramal	00032012	January 12, 2006
5.	G.L. Mirchandani	00026664	January 12, 2006
6.	Nirupama Rao	06954879	October 31, 2014
7.	Ramesh Chandak	00026581	December 26, 2005
8.	S. M. Trehan	00060106	October 30, 2012
9.	M.S. Unnikrishnan	01460245	November 08, 2019
10.	Vikram Gandhi	05168309	August 07, 2019

**the date of appointment is as per the MCA Portal.*

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Practising Company Secretaries

Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018
UDIN: F006488C000272369

Place: Mumbai
Date: May 11, 2021

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
KEC INTERNATIONAL LIMITED

We have examined the compliance of the conditions of Corporate Governance by KEC International Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Practising Company Secretaries

P.N. Parikh
Partner
FCS: 327 CP: 1228
UDIN: F000327C000272269

Place: Mumbai
Date: May 11, 2021

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 ('the Parent") which includes 26 jointly controlled operations consolidated on a proportionate basis and the Return of the Company's 42 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, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia and its 16 subsidiaries (Parent, branches, jointly controlled operations and its subsidiaries together referred to as "the Group"), (refer Note 3.3 and Note 50 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, 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 prepared based on the relevant records (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, 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, 2021 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 ICAI 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 auditor's in terms of their reports referred to in sub-paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgement, 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 to note 3.8 and 39 to the Consolidated financial statements) Contract revenue amounting to ₹ 11,292.89 crore 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. This matter was also reported as Key audit Matter in relation to a Branch in Sri Lanka and a Jointly controlled operation in Saudi Arabia by the respective auditors.	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 (including those related to contract performance under the lockdown and other restrictions imposed by Government of India) / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. Checked the implications and related disclosures in the consolidated financial statements pursuant to applicability of Ind AS 115. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.
Valuation of accounts receivable in view of risk of credit losses (Refer Note 10 and 17 to the consolidated financial statements) Accounts receivable amounting to ₹ 5,654.08 crore (including retention receivable) is a significant item in the Parent's financial statements as at March 31, 2021 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgement. The Parent 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 consolidated 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. • We 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 and the level of credit loss charges over time; Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables.

5. The following Key Audit Matters were included in the special purpose audit report dated May 08, 2021, containing an unmodified audit opinion on the consolidated financial statements of SAE Tower Holdings, LLC (SAE), a subsidiary of the Parent company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
Impairment of Goodwill Refer note 7 to the accompanying consolidated financial statement (refer to note 30 of the Special purpose Financial information of SAE). As at 31 March 21, the Group's assets include goodwill aggregating to ₹ 215.36 crore. 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 goodwill balance is significant to the consolidated financial statements and auditing management judgement and estimates as stated above involves high degree of subjectivity and require 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: • Assessed the reasonability of the assumptions used by the management for cash flow forecasts and verified the historical trend of business to evaluate the past performance for consistency. • Obtained the management's valuation specialist's report on determination of recoverable amount and also assessed the competence and objectivity of the management expert. • Involved our auditor's experts to assess the valuation assumptions used and methodology considered by the management's expert to calculate the recoverable amount and the mathematical accuracy of these calculations. • Performed the sensitivity analysis on the key assumptions to evaluate the possible variation on the current recoverable amount to ascertain the sufficiency of headroom available. • Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements used by management, in accordance with applicable accounting standards.
Valuation of accounts receivable Refer note 17 and 53 to the accompanying consolidated financial statement (refer to note 9 and 40 of the Special purpose Financial information of SAE). The Company's trade receivables amount to ₹ 174.80 crore as at 31 March 2021. The Company 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 Company 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 of receivables: • Evaluated the design, implementation and operating effectiveness of the Group's key internal controls over the processes of collection of trade receivables; follow up of overdue balances; assessing provisions for receivables and controls relating to litigations; • Reviewed the Company'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 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 year end, 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 have been made in the special purpose consolidated financial information.

OTHER INFORMATION

6. The Parent Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board report but does not include the consolidated financial statements and our and other auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report

7. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. 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 Board 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

9. The Parent's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, 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 judgements 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, as aforesaid.

10. 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 Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. 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

12. 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.

13. As part of an audit in accordance with SAs, we exercise professional judgement 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 has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 including branches and jointly controlled operations and business activities within the Group to express an opinion on the consolidated financial statements. The entities including branches and jointly controlled operations 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.

14. We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. 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.

16. 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

17. We did not audit the financial statements/financial information of

    i. 26 jointly controlled operations (refer note 50 to the consolidated financial statements) and 42 branches (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, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia) whose financial statements reflect total assets of ₹ 3,280 crore and net liabilities of ₹ 330 crore as at March 31, 2021, total revenue of ₹ 3,002 crore, profit after tax (net) of ₹ 126 crore and total comprehensive income (comprising of profit and other comprehensive loss(net)) of ₹ 119 crore and cash outflows (net) of ₹ 19 crore for the year ended on that date and

    ii. 16 subsidiaries (refer note 3.3 to the consolidated financial statements) included in the consolidated financial statements, whose financial statements/ financial information reflect total assets of ₹ 1,516 crore, net liabilities of ₹ 647 crore as at March 31, 2021, total revenues of ₹ 1,410 crore, Loss after tax (net) of ₹ 93 crore, total comprehensive loss (comprising of loss and other comprehensive loss(net)) of ₹ 119 crore and cash outflows (net) of ₹ 1 crore for the year ended March 31, 2021, as considered in the consolidated financial statements.

    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 Statement insofar as it relates to the amounts and disclosures included in respect of these branches, jointly controlled operations and subsidiaries is based solely on the reports of the other auditors. The Company's management has converted the financial statements of such branches, jointly controlled operations and subsidiaries to comply with the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management.

18. 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

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 as on March 31,2021 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the companies incorporated in India of the Group is disqualified as on March 31, 2021 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 Group 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 57 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, 2021 – Refer Note 22.1 to the consolidated financial statements in respect of such items as it relates to the Group

        iii. There has been no delays in transferring amount required to be transferred to the Investor Education and Protection Fund by the Parent during the year ended March 31, 2021;

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

20. The parent 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: 21045255AAAAIN9813

Place: Mumbai
Date: May 11, 2021

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, 2021

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. We have audited the internal financial controls with reference to consolidated financial statements of KEC International Limited (hereinafter referred to as "Parent") as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date, which includes the internal financial controls over financial reporting of the Company's 42 branches and its 1 subsidiary company, which is a Company incorporated in India.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Parent and its subsidiary company, 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, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 on Audit of Internal Financial Controls Over Financial Reporting (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 its 42 Branches and its 1 subsidiary company which is a Company 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 the 42 branches of the Parent and 1 subsidiary company, which is a Company incorporated in India, is based on the corresponding report of the auditors of the branches and report of the auditor of the Subsidiary Company, which is a Company incorporated in India. Our opinion is not qualified 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: 21045255AAAAIN9813

Place: Mumbai
Date: May 11, 2021

CONSOLIDATED BALANCE SHEET

as on March 31, 2021

₹ in Crore

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	5	979.45	894.23
(b) Right-of-use Asset	6	136.32	147.00
(c) Capital work-in-progress (Refer note 68)		17.90	83.96
(d) Goodwill	7	215.36	222.56
(e) Intangible assets	8	66.37	87.99
		1,415.40	**1,435.74**
(f) Financial assets			
(i) Investments	9	★	★
(ii) Trade receivables	10	182.13	18.90
(iii) Loans	11	13.24	10.95
(iv) Other financial assets	12	-	-
		195.37	**29.85**
(g) Deferred tax assets (net)	30	61.93	22.37
(h) Non-current tax assets (net)	13	168.51	155.81
(i) Other non-current assets	14	323.25	212.04
Total Non -Current Assets		**2,164.46**	**1,855.81**
(2) Current assets			
(a) Inventories	15	842.20	775.82
(b) Financial assets			
(i) Investments	16	1.06	22.50
(ii) Trade receivables	17	5,384.69	5,425.88
(iii) Cash and cash equivalents	18	199.79	152.68
(iv) Bank balances other than (iii) above	19	49.38	10.99
(v) Loans	20	99.67	102.01
(vi) Other financial assets	21	18.99	6.07
		5,753.58	**5,720.13**
(c) Contract Assets	22	4,582.93	3,664.77
(d) Current tax assets (net)	23	14.21	23.01
(e) Other current assets	24	690.57	837.41
Total Current Assets		**11,883.49**	**11,021.14**
Total Assets		**14,047.95**	**12,876.95**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	25	51.42	51.42
(b) Other equity	26	3,308.27	2,746.16
Total Equity		**3,359.69**	**2,797.58**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	218.71	152.66
(ii) Lease liabilities	28	113.06	111.08
		331.77	**263.74**
(b) Provisions	29	13.93	16.87
(c) Deferred tax liabilities (net)	30	55.15	75.08
Total Non-Current Liabilities		**400.85**	**355.69**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	31	1,624.71	1,909.14
(ii) Lease liabilities	32	27.35	34.55
(iii) Trade payables			
- total outstanding dues of micro and small enterprises	33	129.29	137.20
- total outstanding dues other than micro and small enterprises		6,045.63	4,870.05
(iv) Other financial liabilities	34	102.81	368.21
		7,929.79	**7,319.15**
(b) Contract Liabilities	35	2,078.63	2,210.27
(c) Other current liabilities	36	94.89	86.74
(d) Provisions	37	65.05	59.25
(e) Current tax liabilities (net)	38	119.05	48.27
Total Current Liabilities		**10,287.41**	**9,723.68**
Total Equity and Liabilities		**14,047.95**	**12,876.95**

★ 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 attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

₹ in Crore

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Continuing Operations			
I Revenue from operations	39	13,114.20	11,965.37
II Other income	40	29.92	11.10
III Total Income (I+II)		**13,144.12**	**11,976.47**
IV Expenses			
(i) Cost of materials consumed	41	5,696.99	5,669.62
(ii) Changes in inventories of finished goods and work-in-progress	42	3.61	(78.03)
(iii) Erection and sub-contracting expenses	43	3,907.01	2,826.65
(iv) Employee benefits expense	44	1,115.09	1,104.36
(v) Finance costs	45	262.69	307.98
(vi) Depreciation and amortisation expense	46	152.53	147.20
(vii) Other expenses	47	1,250.29	1,208.42
Total expenses		**12,388.21**	**11,186.20**
V Profit before tax (III - IV)		**755.91**	**790.27**
VI Tax expense :	48		
(i) Current tax		280.00	285.43
(ii) Deferred tax		(76.81)	(60.68)
		203.19	**224.75**
VII Profit for the year (V - VI)		**552.72**	**565.52**
VIII Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit obligations	55	3.80	2.03
(ii) Income tax relating to these items	48.2	(1.00)	(1.02)
B Items that will be reclassified to profit or loss	26		
(i) Exchange differences on translation of joint operations and subsidiaries		(33.55)	19.31
(ii) Net gain/(losses) on cash flow hedges		52.11	(43.10)
(iii) Income tax relating to these items	48.2	(11.97)	8.59
Total Other Comprehensive Income		**9.39**	**(14.19)**
IX Total Comprehensive Income for the year (VII+VIII)		**562.11**	**551.33**
X Earnings per equity share (of ₹ 2 each)			
(i) Basic	49	21.50	22.00
(ii) Diluted		21.50	22.00

★ less than rounding off norms adopted by the company.

The above Consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Notes	Amount
Balance as at April 1, 2020		51.42
Changes in equity share capital during the year	25	-
Balance as at March 31, 2021		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	Debenture Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of 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 1, 2019	84.98	0.04	86.75	14.28	38.75	0.95	152.98	1,989.71	2.96	17.35	(5.07)	2,383.68
Profit for the year	-	-	-	-	-	-	-	565.52	-	-	-	565.52
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	(31.82)	16.62	1.01	(14.19)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	565.52	(31.82)	16.62	1.01	551.33
Transactions with owners in their capacity as owner												
Dividends	-	-	-	-	-	-	-	(156.61)	-	-	-	(156.61)
Dividend distribution tax	-	-	-	-	-	-	-	(32.24)	-	-	-	(32.24)
Balance as at March 31, 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**
Balance as at April 1, 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												
Transfer to General Reserve	-	-	-	-	(38.75)	-	38.75	-	-	-	-	-
Balance as at March 31, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**0.95**	**191.73**	**2,919.10**	**10.14**	**1.56**	**(1.26)**	**3,308.27**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

₹ in Crore

	Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	PROFIT FOR THE YEAR AFTER TAX		**552.72**		**565.52**
	Adjustments for:				
	Income tax expense	203.19		224.75	
	Depreciation and amortisation expense	152.53		147.20	
	Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets	(8.34)		(0.06)	
	Loss on property, plant and equipment discarded & intangible assets derecognised	0.86		0.50	
	Finance costs	262.69		307.98	
	Interest income	(4.74)		(3.27)	
	Bad debts, loans and advances written off (net)	42.43		27.60	
	Allowance for bad and doubtful debts, loans and advances (net)	41.38		26.80	
	Mark to market loss on forward and commodity contracts	2.74		92.11	
	Net unrealised exchange (gain) / loss	32.72		(85.39)	
			725.46		**738.22**
			1,278.18		**1,303.74**
	Changes in assets and liabilities				
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(66.38)		(134.81)	
	Trade receivables	(324.10)		(475.64)	
	Loans	0.36		(71.18)	
	Other financial assets & contract assets	(994.49)		(286.14)	
	Other current assets	147.02		21.74	
	Other non-current assets	(110.35)		(24.99)	
			(1,347.94)		**(971.02)**
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	1,183.86		156.71	
	Other current liabilities & contract liabilities	(122.82)		(56.46)	
	Other financial liabilities	55.13		(10.11)	
	Provisions	6.91		13.90	
			1,123.08		**104.04**
	CASH GENERATED FROM OPERATIONS		**1,053.32**		**436.76**
	Taxes paid (net of refunds)		(208.78)		(349.31)
	NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)		**844.54**		**87.45**
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)	(180.07)		(206.45)	
	Proceeds from sale of property, plant and equipment	66.33		4.49	
	Purchase of short-term investments	(617.81)		(545.65)	
	Proceeds from disposal of short term investment	639.25		536.36	
	Interest received	3.35		3.36	
	Bank balances (including non-current) not considered as Cash and cash equivalents (net)	(38.43)		89.95	
			(127.38)		**(117.94)**
	NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(127.38)**		**(117.94)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from other than short-term borrowings	470.29	81.44
Repayments of other than short-term borrowings (including debentures)	(526.68)	(326.36)
Repayment of finance lease obligations	(25.58)	(31.60)
Net increase / (decrease) in short-term borrowings	(226.35)	703.78
Finance costs paid	(355.08)	(268.90)
Dividend paid	(0.50)	(155.84)
	(663.90)	**2.52**
NET CASH FLOW GENERATED / USED IN FINANCING ACTIVITIES (C)	**(663.90)**	**2.52**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**53.26**	**(27.97)**
Cash and cash equivalents at the beginning of the year (Refer Note 18)	152.68	175.23
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(6.15)	5.42
Cash and cash equivalents at the end of the year (Refer Note 18)	**199.79**	**152.68**

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

₹ in Crore

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	343.78	(250.00)	-	-	(93.78)	-
Long term borrowings including current maturities of long term debts (other than debentures and lease liabilities)	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 cash flow statement should be read in conjunction with the accompanying notes.

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

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 together with its subsidiaries (as detailed in note 3.3) is herein after 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 and other EPC businesses.

2. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

New standards adopted by the Group:

The Group has applied the following amendments for the first time for the annual reporting period commencing April 1, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

Amendments listed above did not have any material impact on the current period and are not expected to significantly affect the future period.

Amendments applicable from April 1, 2021.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The Group will implement the amendments which are applicable from April 1, 2021 pertaining to revision in Division I, II and III of Schedule III.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The 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 employee benefit obligations 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.

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.

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

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 off 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 loosing 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 Company.

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, 2021	As at March 31, 2020
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
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 Transmissão 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

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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 and the equity interests issued by the Group in exchange of control of the acquiree. 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 joint operations

A joint 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 joint operations, the Group as a joint operator recognises in relation to its interest in a joint 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 joint operation;
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 joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint 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 joint 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 joint operation.

When a group entity transacts with a joint 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.

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A discontinued operation is a component of an entity that either has been disposed off 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 off 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. at a point of time, which occurs when the control is transferred to the customer.

Customers obtain control as per the incoterms. 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 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. Payment is generally due upon receipt of the invoice, payable within 90 days or less. 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 because it is used to

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meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the statement of financial position.

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 by 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. The percentage of completion is based primarily on contract cost incurred to date compared to total estimated contract cost for each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

3.8.4 Other Operating Revenue

Export benefits under Merchandise Exports from India Scheme (MEIS), Service Export from India Scheme (SEIS) and Duty Drawback benefits are accounted as revenue on accrual basis as and when export of goods take place.

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, 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 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 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 generally depreciated over the shorter of the asset's useful life and 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 financial statements of the group are measured using the currency of the primary economic environment in which the entity operates (functional currency). The group's functional and presentation currency is Indian Rupees (₹) and these consolidated financial statements are presented in Indian rupees. For each entity (subsidiaries), the group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

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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.

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 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 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);

3.10.2 Translation of foreign operations

In preparing these consolidated financial statements, the Group has applied following policies:

A) Foreign Branches of the Company:-

1. Income and expense items are translated at the exchange rates at the dates of the transactions and all resulting exchange differences are are recognised in the Statement of Profit and Loss.
2. Non-monetary assets and liabilities are measured in terms of historical cost in foreign currencies and are not translated at the rates prevailing at the reporting period. Monetary assets and liabilities are translated at the rates prevailing at the end of each reporting period. Exchange differences on translations are recognised in the Consolidated Statement of Profit and Loss.

B) Joint Operations and subsidiaries outside India with functional currency 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.
2. Income and expense items are translated at exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in the foreign currency translation reserve 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).

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. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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 general 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 Company 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 Saudi, 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 Company or as per payment of the Gratuity Act, 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.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. 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. 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.

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

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.

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

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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. 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. Re-measurements as a result of experience adjustments and changes in actuarial assumptions, if any, are recognised in profit and loss.

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 consolidated 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 joint ventures, except where the Group is able to control the reversal of the temporary difference and 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 where 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 liabilities 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

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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

Land and buildings 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. Freehold land is not depreciated. Leasehold land is amortised over the remaining period of the lease.

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 measured as per previous GAAP and use that carrying value as deemed cost of the property, plant and equipment.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) 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 as per the useful life as estimated by the Management. The estimate of the useful life of the assets has been based on technical advice, 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	5-23
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, 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

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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. Brand in respect of the railway signalling business transferred to the Company pursuant to the High Court approved Scheme of Amalgamation is amortised over 10 year being its useful life, as estimated by the management.

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

3.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible 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) 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.

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 include 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 and measured as provisions. 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.

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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 a 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 Company commits to purchase or sell the asset.

3.21 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 debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the Consolidated Statement of Profit and Loss.

3.21. 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 using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Group has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. 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 Company continues to recognise the asset to the extent of Company's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been 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 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.

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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

All 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 a 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 interest rate and 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. Further, details of derivative financial instruments are disclosed in note 53.

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.

3.23.1 Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

3.24 Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, 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 or a firm commitment 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.

Note 53 sets out details of the fair values of the derivative instruments used for hedging purposes.

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

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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.

3.24.2 Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss is recognised in profit or loss.

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 a 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 Rounding off amounts

All amounts disclosed in the 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 Company 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 recognized in the consolidated financial statements.

4.1 Classification of Joint Arrangement as a Joint Operation

In terms of Ind AS 111, 'Joint Arrangement' the Company has classified its joint arrangements as joint 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 50 for the list of joint arrangements).

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4.2 Revenue recognition for construction contracts

Refer note 3.8.3 and Note 51.

4.3 Useful lives of property, plant and equipment and intangible assets

As described in Notes 3.14 and 3.15 above, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. There was no change in the useful life of property, plant and equipment and intangible assets as compared to previous year.

4.4 Determination of lease term

In determining lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Most extension options in office leases have not been included in lease liability, because the Group could replace the asset without significant cost or business disruption. The lease term is reassessed if an option is actually exercised (or not exercised). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

4.5 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 company is involved it is not expected that such contingencies will have a material effect on its financial position or profitability.

4.6 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 Company 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.

4.7 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.

4.8 Defined benefit obligations

Measurement of pension and other superannuation costs and obligations under various defined benefit and contribution plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

The discount rate is based on Government bond yield. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase in India. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost.

4.9 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.

4.10 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 Company'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 ^	Leasehold Land	Buildings ^	Plant and Equipment	Plant and Equipment (under finance lease)	Erection Tools	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount											
As at April 1, 2019	**138.48**	**50.08**	**268.47**	**705.93**	**29.18**	**101.13**	**28.18**	**55.89**	**11.48**	**38.53**	**1,427.35**
Adjustments for Implementation of IND AS 116	-	-	-	-	(29.18)	-	-	-	-	-	(29.18)
Restated gross carrying Amount	**138.48**	**50.08**	**268.47**	**705.93**	**-**	**101.13**	**28.18**	**55.89**	**11.48**	**38.53**	**1,398.17**
Additions	-	-	3.93	61.73	-	47.22	0.52	1.14	1.40	4.62	120.56
Transfer In	-	-	-	29.19	-	-	-	-	-	-	29.19
Disposal	-	-	0.17	3.02	-	3.16	0.15	1.16	0.27	0.31	8.24
Adjustments	3.74	-	4.91	(3.29)	-	1.41	0.41	1.72	0.15	(0.25)	8.80
As at March 31, 2020	**142.22**	**50.08**	**277.14**	**790.54**	**-**	**146.60**	**28.96**	**57.59**	**12.76**	**42.59**	**1,548.48**
Additions	-	-	94.70	103.14	-	55.70	0.17	-	1.02	4.80	259.53
Disposal	-	0.06	0.64	38.76	-	33.86	0.16	1.46	0.27	0.47	75.68
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**	**50.02**	**366.24**	**844.41**	**-**	**167.96**	**28.77**	**55.56**	**13.46**	**46.34**	**1,711.75**
Accumulated depreciation											
As at March 31, 2019	-	10.40	80.25	329.16	0.22	51.91	14.23	38.25	8.48	27.89	560.79
Adjustments for Implementation of IND AS 116	-	-	-	-	(0.22)	-	-	-	-	-	(0.22)
Restated gross carrying Amount	**-**	**10.40**	**80.25**	**329.16**	**-**	**51.91**	**14.23**	**38.25**	**8.48**	**27.89**	**560.57**
Transfer In	-	-	-	0.22	-	-	-	-	-	-	0.22
Depreciation expense (Refer note 46)	-	0.78	12.18	50.68	-	20.27	2.65	3.86	1.26	4.69	96.37
Disposal	-	-	0.16	2.12	-	3.04	0.13	0.92	0.25	0.27	6.89
Adjustments	-	-	3.06	(2.35)	-	1.40	0.16	1.72	0.14	(0.15)	3.98
As at March 31, 2020	**-**	**11.18**	**95.33**	**375.59**	**-**	**70.54**	**16.91**	**42.91**	**9.63**	**32.16**	**654.25**
Depreciation Expenses (Refer note 46)	-	0.78	12.84	49.70	-	25.42	2.36	3.06	1.08	4.71	99.95
Disposal	-	0.01	0.61	8.35	-	4.83	0.15	1.35	0.25	0.44	15.99
Adjustments	-	-	(1.53)	(2.75)	-	(0.28)	(0.18)	(0.56)	(0.03)	(0.58)	(5.91)
As at March 31, 2021	**-**	**11.95**	**106.03**	**414.20**	**-**	**90.85**	**18.93**	**44.06**	**10.43**	**35.85**	**732.30**
Net carrying amount											
As at March 31, 2020	**142.22**	**38.90**	**181.81**	**414.95**	**-**	**76.06**	**12.05**	**14.68**	**3.13**	**10.43**	**894.23**
As at March 31, 2021	**138.99**	**38.07**	**260.21**	**430.21**	**-**	**77.11**	**9.84**	**11.50**	**3.03**	**10.49**	**979.45**

Note 5.1

^The title deeds of freehold land and buildings, having gross carrying amount aggregating ₹ 26.35 crore (as at March 31, 2020 ₹ 26.35 crore) and net carrying amount aggregating ₹ 25.67 crore (as at March 31, 2020 ₹ 25.70 crore), have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement in earlier years and the procedural formalities for transfer in the name of the parent Company is pending.

Note 5.2

For details of Property, plant and equipment having gross carrying amount aggregating ₹ 418 crore (As at March 31, 2020 ₹ 696.82 crore), which are pledged as security for borrowings - Refer Notes 27 and 31.

Note 5.3

Adjustments represents foreign currency exchange translation adjustment on account of jointly controlled operations and subsidiary which have different functional currency.

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NOTE 6 - RIGHT OF USE ASSETS (REFER NOTE 52 (I))

₹ in Crore

Description	Buildings	Land	Plant & Machinery	Vehicles	Total
Gross Carrying Amount					
As at April 01, 2019	**83.81**	**0.14**	**29.19**	**-**	**113.14**
Additions	4.70	68.99	3.99	1.63	79.31
Transfer Out	-	-	(29.19)	-	(29.19)
Disposal	-	-	-	-	-
Adjustments	5.35	3.05	0.05	-	8.45
As at March 31, 2020	**93.86**	**72.18**	**4.04**	**1.63**	**171.71**
As at April 01, 2020	**93.86**	**72.18**	**4.04**	**1.63**	**171.71**
Additions	12.96	8.38	-	-	21.34
Disposal	4.84	-	-	0.29	5.13
Adjustments	(2.12)	(2.14)	(0.03)	-	(4.29)
As at March 31, 2021	**99.86**	**78.42**	**4.01**	**1.34**	**183.63**
Accumulated Depreciation					
As at April 01, 2019	**-**	**-**	**0.22**	**-**	**0.22**
Transfer Out	-	-	(0.22)	-	(0.22)
Depreciation expense (Refer note 46)	22.34	1.34	0.22	0.17	24.07
Disposal	-	-	-	-	-
Adjustments	0.59	0.05	0.00	-	0.64
As at March 31, 2020	**22.93**	**1.39**	**0.22**	**0.17**	**24.71**
As at April 01, 2020	**22.93**	**1.39**	**0.22**	**0.17**	**24.71**
Depreciation expense (Refer note 46)	19.03	5.11	1.56	0.64	26.34
Disposal	3.23	-	-	0.10	3.33
Adjustments	(0.42)	0.02	(0.01)	-	(0.41)
As at March 31, 2021	**38.31**	**6.52**	**1.77**	**0.71**	**47.31**
Net carrying amount					
As at March 31, 2020	**70.93**	**70.79**	**3.82**	**1.46**	**147.00**
As at March 31, 2021	**61.55**	**71.90**	**2.24**	**0.63**	**136.32**

NOTE 7 - GOODWILL

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	222.56	203.71
Effect of foreign currency exchange difference recognised in other comprehensive income (OCI)	(7.20)	18.85
Balance at the end of year	**215.36**	**222.56**

The Company through its wholly owned subsidiaries, has paid the purchase consideration to obtain the control of business of SAE Tower Holdings LLC and its subsidiaries (SAE).

On acquisition of SAE, goodwill amounting to ₹ 134.63 crore was recognised on the acquisition date. This goodwill represents the future economic benefits that shall enable the Group to enter more geographies and help its overseas business growth by acquisition of SAE business.

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount of such assets. 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.

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The key assumptions used in the estimation of value in use are set out below.

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	10.84%	12.60%
Terminal value growth rate	3.50%	3.00%
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, 2021 and March 31, 2020 as the recoverable value of the cash generating unit exceeded the carrying value.

NOTE 8 - INTANGIBLE ASSETS

₹ in Crore

Particulars	Brands (Refer Note 8. 1)	Computer softwares	Total
Gross carrying amount			
As at April 1, 2019	**246.95**	**82.01**	**328.96**
Additions	-	2.67	2.67
Disposal	-	-	-
Adjustments (Refer 8.2)	-	(0.45)	(0.45)
As at March 31, 2020	**246.95**	**84.23**	**331.18**
Additions	-	4.65	4.65
Disposal	-	-	-
Adjustments (Refer 8.2)	-	(0.55)	(0.55)
As at March 31, 2021	**246.95**	**88.33**	**335.28**
Accumulated amortisation			
As at 1 April, 2019	**173.94**	**42.90**	**216.84**
Amortisation expense (Refer note 46)	12.68	14.08	26.76
Disposal	-	-	-
Adjustments (Refer 8.2)	-	(0.41)	(0.41)
As at March 31, 2020	**186.62**	**56.57**	**243.19**
Amortisation expense (Refer note 46)	12.34	13.90	26.24
Disposal	-	-	-
Adjustments (Refer 8.2)	-	(0.52)	(0.52)
As at March 31, 2021	**198.96**	**69.95**	**268.91**
Net carrying value			
As at March 31, 2020	**60.33**	**27.66**	**87.99**
As at March 31, 2021	**47.99**	**18.38**	**66.37**

Note 8.1

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, 2021 ₹ 48 crore (as at March 31, 2020 ₹ 60 crore) and the remaining amortisation period is 4 years (as at March 31, 2020 - 5 years).

Note 8.2

Adjustments represents foreign currency exchange translation adjustment on account of jointly controlled operations and subsidiary which have different functional currency.

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

NOTE 9 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current :		
Investment in equity shares (at fair value through other comprehensive income)		
Unquoted		
4,900 Fully paid Equity Shares of ₹ 10/- each of RP Goenka Group of Companies Employees Welfare Association	★	★
	★	★
Aggregate book value of quoted investments and market value thereof	-	-
Aggregate book value of unquoted investments	★	★
Aggregate amount of impairment in the value of investments	-	-

★less than rounding off norms adopted by the company.

As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Company)', 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 Company. Any surplus upon winding up or dissolution of the Company shall not be distributed amongst the members of the Company but shall be given or transferred to such other Companies having objects similar to the objects of this Company, to be determined by the members of the Company 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 Company to transfer funds to the Group in the form of cash dividends, the fair value of the Group's interest in the Company is concluded to be equal to cost.

NOTE 10 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current trade receivables - Unsecured		
(a) Considered good	209.01	26.95
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	0.41
	209.01	**27.36**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	26.88	8.46
	182.13	**18.90**

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). Refer Note 53.9

Particulars	₹ in Crore
Balance as at March 31, 2019	**0.80**
Add: Created during the year	8.05
Less: Released during the year	0.39
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**

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

NOTE 11 - LOANS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits, Secured		
(a) Considered good	13.24	10.95
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	0.76	0.76
	14.00	**11.71**
Less: Allowance for bad and doubtful security deposits*	0.76	0.76
	13.24	**10.95**

*Movement in the allowance for bad and doubtful deposits (expected credit loss allowance) - Refer Note 53.9.

Particulars	₹ in Crore
Balance as at March 31, 2019	**0.76**
Add: Created during the year	-
Less: Released during the year	-
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**

NOTE 12 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Amount withheld by customers		
(a) Considered good	-	-
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	10.32	17.61
	10.32	**17.61**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	10.32	17.61
	-	**-**

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) - Refer Note 53.9.

Particulars	₹ in Crore
Balance as at March 31, 2019	**12.85**
Add: Created during the year	5.83
Less: Released during the year	1.07
Balance as at March 31, 2020	**17.61**
Add: Created during the year	-
Less: Released during the year	7.29
Balance as at March 31, 2021	**10.32**

NOTE 13 - NON-CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax payments less provisions	168.51	155.81
	168.51	**155.81**

NOTES

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NOTE 14 - OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Capital advances	**10.55**	**9.90**
(b) Others		
- Excise duty recoverable from Government authorities	24.45	24.45
- VAT Credit / WCT /Service tax receivables	131.87	83.21
- GST Receivable	76.99	-
- Prepaid expenses	13.78	13.73
- Export benefits	37.41	47.61
- Sales tax/ excise duty/service tax/ entry tax, etc. paid under protest	16.24	15.83
- Others (includes amounts towards judicial deposits)	11.96	17.31
	312.70	**202.14**
	323.25	**212.04**

NOTE 15 - INVENTORIES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Inventories (lower of cost and net realisable value)		
(a) Raw materials		
(i) in stock	509.09	457.39
(ii) in-transit	5.84	1.25
	514.93	**458.64**
(b) Work-in-progress (Refer Note 15.1)	85.47	124.67
(c) Finished goods	195.93	160.34
(d) Stores and spares	26.10	22.50
(e) Scrap	19.77	9.67
	842.20	**775.82**

Note 15.1 Details of inventory of work-in-progress :

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Towers and structurals	53.54	93.49
Cables	31.93	31.18
	85.47	**124.67**

NOTE 16 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Unquoted - Other investments :		
Investments in Commercial Papers (Carried at fair value through profit or loss)	1.06	22.50
	1.06	**22.50**
Notes: Unquoted investments		
Aggregate book value of unquoted investments	1.06	22.50
Aggregate book value of unquoted investments and market value thereof	1.06	22.50

NOTE 17 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables - Unsecured (Refer Note 17.1, 17.2 and 53.9)		
(a) Considered good	5,445.07	5,470.28
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	-
	5,445.07	**5,470.28**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	60.38	44.40
	5,384.69	**5,425.88**

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) (Refer Note 53.9)

Particulars	₹ in Crore
Balance as at March 31, 2019	**35.01**
Add: Created during the year	13.99
Less: Released during the year	4.60
Balance as at March 31, 2020	**44.40**
Add: Created during the year	19.33
Less: Released during the year	3.22
Less: Exchange flactuation	0.13
Balance as at March 31, 2021	**60.38**

Note 17.1 Transfer of financial assets

During the current year, the Company has discounted trade receivables with an aggregate carrying amount of ₹ 173.71 crore with banks for cash proceeds of ₹ 171.65 crore. These arrangements are "non-recourse" to the Company and accordingly, the Company has derecognised these receivables as at March 31, 2021. Amount of interest charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 2.06 crore.

Further the Company has discounted certain trade receivables with the banks "with recourse" to the Company. The carrying amount of such receivables as at March 31, 2021 ₹ 64.14 crore (As at March 31, 2020 ₹ 322.47 crore) are recognised as trade receivables and corresponding carrying amount of associated liabilities of ₹ 64.14 crore (As at March 31, 2020 ₹ 269.88 crore) are recognised as secured borrowings (Note 27) and there are restriction on further selling and pledging of these receivables.

Note 17.2 Receivable from related parties is ₹ 0.08 crore (As at March 31, 2020 ₹ 1.07 crore).

NOTE 18- CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks		
(i) In current accounts	176.48	128.25
(ii) In deposit accounts	15.69	13.08
	192.17	**141.33**
(b) Cheques on hand	-	4.93
(c) Cash on hand	7.62	6.42
	199.79	**152.68**

NOTE 19 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Earmarked balances with banks - unpaid dividend accounts	2.70	3.20
(ii) Bank deposit with original maturity of more than 3 months but less than 12 months	0.43	0.40
(iii) Margin Money deposit with maturity less then 12 months	0.71	0.75
(iv) Balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments	45.54	6.64
	49.38	**10.99**

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

NOTE 20 - LOANS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
- Loans and advances to Joint operations (net of the Group's share)	36.14	30.59
- Security deposits	63.53	71.42
	99.67	**102.01**

20.1 Loans and advances to Joint Operations have been provided by the Group to meet the short term working capital requirements for execution of projects by the joint operations.

NOTE 21 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Interest accrued on fixed deposits	0.38	0.05
(ii) Insurance claims	1.72	1.03
(iii) Mark to market gain on forward and commodity contracts (Refer Note 53.7 and Note 53.8)	15.47	4.96
(iv) Others	1.42	0.03
	18.99	**6.07**

NOTE 22 - CONTRACT ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Contractually reimbursable expenses	86.91	149.58
(ii) Amount due from customers for contract works	4,504.63	3,518.02
Less: Provision for expected loss on construction contracts (Refer Note 22.1)	3.52	2.83
Less: Allowance for contract assets (Refer Note 22.2)	5.09	-
	4,582.93	**3,664.77**

Note 22.1 Movement in Provision for expected loss on construction contracts

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**2.83**	**7.31**
Additions	1.66	4.65
Reversals	1.01	9.20
Effect of translation adjustment (gain) / loss	0.04	0.07
Closing balance	**3.52**	**2.83**

Note 22.2 Movement allowance on contract assets (expected credit loss allowance)

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**-**	**-**
Additions	5.09	-
Reversals	-	-
Closing balance	**5.09**	**-**

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

NOTE 23 - CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax payments less provisions	14.21	23.01
	14.21	**23.01**

NOTE 24 - OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to suppliers	164.77	216.65
Employee advances	9.91	9.29
Cenvat / Service tax input credit receivable	0.12	0.40
Amount due as refund of custom duty	3.70	3.70
Excise duty recoverable from Government authorities	1.26	1.26
VAT credit / WCT receivables	63.76	132.21
GST receivable	257.96	233.46
GST/Excise rebate receivable on exports	57.32	43.26
Prepaid expenses	96.74	116.29
Export benefits	31.92	78.44
Assets classified as held for sale (Refer Note 24.1)	3.11	2.45
	690.57	**837.41**

Note 24.1 - Details of assets classified as held for sale

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Leasehold Land at Jaipur [(Refer Note 24.1 (a)]	2.45	2.45
Leasehold Land at Raibareli [(Refer Note 24.1 (b)]	0.66	-
Total	**3.11**	**2.45**

(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, 2020 ₹ 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) During the year company decided to sold land situated at Raibareli (Plot no. A09, A10 & A03). Accordingly all formalities of land situated at plot no. A09 & A10 has been completed and sales consideration of ₹ 3.00 crore and 5.18 crore respectively has been received. Accordingly profit on sale of land of ₹ 7.06 crore has been recognized in other income (Refer note no. 40). However land situated at plot no. A03 is still under negotiation and not yet finalize so company has transferred this land from fixed assets to assets held for sale for ₹ 0.66 crore.

The company expects to complete the formalities in next financial year.

NOTE 25 - SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	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**

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

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 1, 2019	**257,088,370**	**51.42**
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 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**

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, 2021		As at March 31, 2020	
		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	27,910,754	10.86
3	HDFC Trustee Company Limited	23,679,697	9.21	23,769,697	9.25
4	Instant Holdings Limited	22,207,827	8.64	22,014,759	8.56

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.

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

NOTE 26- OTHER EQUITY

₹ in Crore

Particulars	Reserves & Surplus								Other Comprehensive Income			
	Capital Reserve	Capital Reserve on consolidation	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	Total
Notes	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
Balance as at March 31, 2019	**84.98**	**0.04**	**86.75**	**14.28**	**38.75**	**0.95**	**152.98**	**1,989.71**	**2.96**	**17.35**	**(5.07)**	**2,383.68**
Profit for the year	-	-	-	-	-	-	-	565.52	-	-	-	565.52
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	(31.82)	16.62	1.01	(14.19)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**565.52**	**(31.82)**	**16.62**	**1.01**	**551.33**
Transactions with owners in their capacity as owner												
Dividends	-	-	-	-	-	-	-	(156.61)	-	-	-	(156.61)
Dividend distribution tax	-	-	-	-	-	-	-	(32.24)	-	-	-	(32.24)
Balance as at March 31, 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**
Balance as at April 1, 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												
Transfer to General Reserve	-	-	-	-	(38.75)	-	38.75	-	-	-	-	-
Balance as at March 31, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**0.95**	**191.73**	**2,919.09**	**10.14**	**1.56**	**(1.26)**	**3,308.27**

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 is created towards redemption of debentures referred to in Note 27. Accumulated amount transferred to General reserves on account of repurchase of all outstanding debentures.

Note (f) 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.

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 cumulative profit of the Group. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

Note (i) 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 (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

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NOTE 27 - BORROWINGS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current:		
Measured at amortised cost :		
I **Debentures**		
Secured (Refer Note 27.1)	-	343.78
Less : Current maturities of debentures	-	(206.27)
	-	**137.51**
II **Term loans**		
(a) **From Banks**		
Secured [Refer Note 27.2 (a)]	21.94	18.28
Less : Current maturities of long-term debt [Refer Note 34 (a)]	-	(17.03)
	21.94	**1.25**
Unsecured [Refer Note 27.2 (b)]	278.63	102.11
Less : Current maturities of long-term debt [Refer Note 34 (a)]	(81.86)	(88.21)
	196.77	**13.90**
	218.71	**152.66**

Note 27.1 Debentures :

2,500, Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCD") of face value of ₹ 0.10 crore each aggregating ₹ 250 crore issued by the Company during the earlier year are secured by first charge on the immovable properties at Vadodara and Mysore and further secured by hypothecation of movable fixed assets of the Company situated at Mysore and Vadodara. 500 NCD ₹ 0.10 crore each aggregating ₹ 50 crore were repayable on December 20, 2021, 500 NCD ₹ 0.10 crore each aggregating ₹ 50 crore were repayable on April 20, 2021 and 1,500 NCD of ₹ 0.10 crore each aggregating ₹ 150 crore were repayable on April 20, 2020. Debentures are Zero Coupon with yield on maturity of 9.33% p.a. monthly compounded and payable at maturity (with a yield to maturity @ 9.74% p.a.). The debenture instalment due in April, 2020 was paid and balance instalments due in April, 2021 and December, 21 was repurchased in June, 2020.

Note 27.2 Term loans :

(a) **From banks: Secured**

(i) Nil (As at March 31, 2020 ₹ 15.78 crore) loan of a jointly controlled operation at Saudi Arabia, secured by irrevocable Corporate Guarantee from the Company. Repayment terms is 10 equal quarterly instalments starting from December 2018. The interest rate is Nil p.a. (previous year 4.86%)

(ii) ₹ 21.94 crore (As at March 31, 2020 Nil) ECB loan from SBI. The loan is secured by first Charge over Construction Equipments (Both Present & Future) present at all projects site relating to its transsmission, railway and civil bussiness in india. Repayment terms is 3 equal yearly instalments starting from August, 2025.The interest rates is 1.85% p.a.

(iii) ₹ ★ (As at March 31, 2020 ₹ 0.08 crore) secured by first charge, on plant and machinery of Brazil subsidiary of SAE Tower Holdings, LLC repayable in Brazilian Real (BRL). These loans bear fixed interest rates nil (previous year ranges from 1.47% to 5.50% p.a.) and repayable in monthly principal payaments during 2020 to 2022.

(b) **From Banks: Unsecured:**

(i) ₹ 150 crore (As at March 31, 2020 Nil) unsecured Term loan from Axis Bank. Repayment terms is 2 equal half yearly instalments starting from September, 2023. The Fixed interest rates is 6.80% p.a.

(ii) ₹ 1.36 crore (As at March 31, 2020 ₹ 20.67 crore) pertains to a subsidiary at Brazil and repayable in monthly structured installments during from 2021 to 2022. The interest rates are in the ranges from 12.95% to 13.42% p.a. (previous year ranges from 7.25 % to 13.42% p.a.)

(iii) ₹ 1.10 crore (As at March 31, 2019 ₹ 2.42 crore) pertains to a subsidiary at Brazil. The loan bear interest rates ranges from 7.75% to 8.56% p.a. (previous year 9.50 % p.a.) and repayable in monthly principal payments with interest during 2021 to 2023.

(iv) ₹ 11.77 crore (As at March 31, 2020 ₹ 81.44 crore) pertains to a subsidiary at Brazil and repayable in monthly structured installments during from 2020 to 2022. The interest rates are in the ranges from 6.09% to 7.21% p.a. (previous year ranges from 6.09% to 7.21%)

(v) ₹ 114.40 crore (As at March 31, 2020 Nil) pertains to a subsidiary at Brazil and repayable in monthly structured installments during from 2021 to 2024. The interest rates are in the ranges from 4.44% to 11.99% p.a. (previous year Nil)

★ less than rounding off norms adopted by the Company

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NOTE 28 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Lease liabilities (Refer Note 52)	113.06	111.08
	113.06	**111.08**

NOTE 29 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current:		
Provision for employee benefits		
- Gratuity, post employment benefits (Refer Note 55)	9.84	13.03
- Others (includes provision towards judicial deposits of a subsidiary) (Refer Note 29.1)	4.09	3.84
	13.93	**16.87**

29.1 Provision towards judicial deposits*

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**3.84**	**2.78**
Additions	0.37	0.77
Reversals	-	-
Effect of translation adjustment (gain) / loss	(0.12)	0.29
Closing balance	**4.09**	**3.84**

★ These represents provision created for Judicial deposits kept with labour authorities of foreign subsidiaries related to various ongoing labour cases.

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NOTE 30 - DEFERRED TAX LIABILITIES / ASSETS (NET)

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 1, 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 recognised in P&L in relation to :					
Property, plant and equipment and Intangible assets	(66.53)	7.46		15.79	(43.28)
Undistributed earnings of joint 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 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
Deferred tax on account of IND AS 116 - (Refer Note 52)	0.22	0.43	-	-	0.65
Asset held for sale	0.82	-			0.82
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 joint operations	(7.85)	-	1.14	-	(6.71)
Deferred Tax (Liabilities)/Assets (net)	**(75.08)**	**26.99**	**(12.58)**	**5.52**	**(55.15)**

Significant components of deferred tax assets (net) of subsidiaries are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 1, 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 recognised in P&L 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**

* Recognised in view of confirmed profitable orders secured by an overseas subsidiary.

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30.2 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2020 are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 1, 2019)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI	Closing Balance (As at March 31, 2020)
Deferred tax (liabilities)/Assets recognised in P&L in relation to :					
Property, plant and equipment and Intangible assets	(90.81)	27.25	-	(2.97)	(66.53)
Undistributed earnings of joint operations	(66.95)	17.70	-	-	(49.25)
Mark to Market adjustments on derivatives measured at Fair Value through Profit or Loss (FVTPL)	(31.00)	28.72	-	1.56	(0.72)
Allowance for doubtful debts, loans and advances	16.53	0.68	-	0.04	17.25
Remeasurement of defined obligation through Other Comprehensive Income (OCI)	1.95	-	(0.96)	0.87	1.86
Amalgamation Expenses	(1.26)	-	-	1.26	-
VRS Expenditure u/s 35DDA of the Income Tax Act, 1961	1.26	-	-	(1.26)	-
Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years	15.47	3.90	-	2.10	21.46
Provision for expected loss on construction contracts, etc.	(0.97)	(0.48)	-	1.52	0.07
Tax loss carry forward*	2.43	(3.03)	-	0.60	-
Asset held for sale	0.76	0.06	-		0.82
Deferred tax on account of 1st time adoption of IND AS 116 (Refer Note 52)	-	0.22			0.22
Net (Gain) / Losses on Cash flow hedges	(1.57)		11.28		9.71
Exchange differences on translation of foreign joint operations	(5.16)		(2.69)		(7.85)
Other Assets and deferred expenses	9.67	(2.37)	-	(9.42)	(2.12)
Deferred Tax (Liabilities)/Assets (net)	**(149.65)**	**72.64**	**7.63**	**(5.70)**	**(75.08)**

Significant components of deferred tax assets (net) of subsidiaries as at March 31, 2020 are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 1, 2019)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI	Closing Balance (As at March 31, 2020)
Deferred tax (liabilities)/Assets in relation to :					
Property, plant and equipment and Intangible assets	(1.26)	0.10	-	0.50	(0.66)
Remeasurement of defined benefit obligations recognised through Other Comprehensive Income (OCI)	(0.34)	-	(0.06)	0.40	-
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years	6.99	4.19	-	0.74	11.92
Tax loss carry forward*	25.36	(16.25)	-	2.00	11.11
Other Assets and deferred expenses	0.57	-	-	(0.57)	-
Deferred Tax (Liabilities)/Assets (net)	**31.32**	**(11.96)**	**(0.06)**	**3.07**	**22.37**

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.

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30.3 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :		
- unused tax credits for an overseas subsidiary (refer note below)	56.01	11.12
	56.01	**11.12**

Note : The unrecognised tax credits will expire in 2025-2026

NOTE 31 - BORROWINGS

₹ in Crore

	Particulars	As at March 31, 2021	As at March 31, 2020
I	Loans repayable on demand		
	From Banks		
	Secured [Refer Note 31.1 (a)]	26.93	464.50
	Unsecured [Refer Note 31.1 (b)]	125.59	87.54
		152.52	**552.04**
II	Other short term borrowings		
	From Banks		
	Secured [Refer Note 31.2 (a)]	766.27	1,084.55
	From Other Parties		
	Secured [Refer Note 31.2 (b) (i)]	208.35	173.76
	Unsecured [Refer Note 31.2 (b) (ii)]	497.57	98.79
		1,624.71	**1,909.14**

31.1 Loans repayable on demand from banks :

(a) Secured

(i) ₹ 12.28 crore (As at March 31, 2020 ₹ 413.80 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 7.50% to 12.85% p.a.)

(ii) ₹ 1.85 crore (As at March 31, 2020 ₹ 5.61 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% p.a. to 7.90% p.a. (previous year rate ranges from 4.20% to 7.90%).

(iii) ₹ 12.80 crore (As at March 31, 2020 ₹ 45.09 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. (previous year 3.91% p.a. to 5.86% p.a.).

(b) Unsecured

(i) ₹ 100 crore (As at March 31, 2020 ₹ NIL) Unsecured loan from Bank of India for General purpose and meeting the incremental business requirement for the Company.The interest rates is 6.60% p.a.

(ii) ₹ 25.59 crore (As at March 31, 2020 ₹ 87.35 crore) pertains to subsidiaries at Brazil. The interest rates are in the ranges from 3.05% to 4.05 % p.a. (previous year ranges from 3.05% to 4.05 % p.a.)

(iii) ₹ Nil (As at March 31, 2019 ₹ 0.19 crore) pertains to subsidiaries at Mexico. The interest rates nil (previous ranges from 3.05% to 4.05 % p.a)

31.2 Other short-term borrowings

(a) From Banks-Secured

(i) ₹ 698.50 crore (As at March 31, 2020 ₹ 991.55 crore) secured by security stated against Note 29.1 (i) above. The interest rates are in the ranges from 0.50% to 3.50% p.a. (previous year ranges from 1.00% to 4.50% p.a.)

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(ii) Nil (As at March 31, 2020 ₹ 41.68 crore) loan of 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 4.54% to 5.86 % p.a. (previous year ranges from 4.54% to 4.87% p.a.)

(iii) ₹ 67.77 crore (As at March 31, 2020 ₹ 46.09) loan consist of ₹ 45.61 crore secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 2.95% to 3.20 % p.a. (previous year interest rate ranges between 4.54% to 5.68%)

(iv) ₹ Nil (As at March 31, 2019 ₹ 5.23 crore) secured by irrevocable Corporate Guarantee from the Company. The interest rates are in the Nil (previous year ranges from 3.50% p.a. to 4.50% p.a).

(b) From Other Parties

Secured:

(i) ₹ 208.35 crore (As at March 31, 2020 ₹ 173.76 crore) secured by security stated against Note 29.1 (i) above. The interest rates are in the ranges from 3.50% to 3.75% p.a. (previous year ranges from 3.50% to 5.30% p.a.)

Unsecured:

(ii) ₹ 497.57 crore (As at March 31, 2020 ₹ 98.79 crore) being listed commercial papers (unsecured) issued on standalone basis. Said Commercial papers carries interest rate ranges between 4.50% p.a. to 5.05% p.a. (previous year 7.15% p.a.)

NOTE 32 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Lease liabilities (Refer Note 52)	27.35	34.55
	27.35	**34.55**

NOTE 33 - TRADE PAYABLES

₹ in Crore

	Particulars	As at March 31, 2021	As at March 31, 2020
	Trade payables		
(i)	Total outstanding dues of micro and small enterprises (Refer Note 33.1)	129.29	137.20
(ii)	Total outstanding dues of creditors other than micro and small enterprises	4,519.94	3,759.11
(iii)	Acceptances	1,525.69	1,110.94
		6,174.92	**5,007.25**

Note 33.1: Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the company:

₹ in Crore

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	The principal amount remaining unpaid to supplier as at the end of accounting year	114.41	127.30
(b)	The interest due thereon remaining unpaid to supplier as at the end of accounting year.	1.35	1.65
(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.	13.53	6.64
(e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	4.98	5.14
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	14.88	9.90

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NOTE 34 - OTHER FINANCIAL LIABILITIES

₹ in Crore

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	Current maturities of long term-debts (Refer Note 27)	81.86	311.51
(b)	Interest accrued but not due on borrowings	3.21	6.69
(c)	Unpaid / unclaimed dividends #	2.70	3.20
(d)	Other payables		
	- Interest accrued on acceptances and customer advance	0.39	0.37
	- Payable towards purchase of property, plant and equipment	5.27	1.26
	- Mark to market loss on forward contracts (Refer note 53.7 and note 53.8)	-	38.81
	- Directors' commission	9.38	6.37
		15.04	**46.81**
		102.81	**368.21**

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 35 - CONTRACT LIABILITIES

₹ in Crore

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Amount due to customers for contract works	686.15	773.59
(ii)	Advance from customer	1,384.25	1,428.09
(iii)	Interest on customer advance	8.23	8.59
		2,078.63	**2,210.27**

NOTE 36 - OTHER CURRENT LIABILITIES

₹ in Crore

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	Advances against assets classified as held for sale (Refer Note 24.1)	**9.41**	**9.41**
(b)	Other payables		
	- Statutory remittances (contribution to PF and ESIC, withholding tax, Excise Duty, VAT, TDS, GST, Service Tax, etc.)	81.05	67.09
	- Liability towards Corporate Social Responsibility (Refer note 61)	4.27	-
	- Others	0.16	10.24
		85.48	**77.33**
		94.89	**86.74**

NOTE 37 - PROVISIONS

₹ in Crore

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	**Provision for employee benefits**		
	- Compensated absences (Refer Note 55)	34.82	25.81
	- Gratuity, post employment benefits (Refer Note 55)	2.48	3.02
		37.30	**28.83**
(b)	**Provision - others :**		
	- Warranty provisions (Refer Note 37.1)	6.73	4.84
	- Provision for litigation claims (Refer Note 37.2 and Note 37.3)	21.02	25.58
		27.75	**30.42**
		65.05	**59.25**

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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 various years are as follows:

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**4.84**	**3.95**
Additions	2.20	1.29
Utilisations /(reversals)	(0.10)	(0.64)
Effect of translation adjustment (gain) / loss	(0.21)	0.24
Closing balance	**6.73**	**4.84**

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, 2021	As at March 31, 2020
Opening balance	**25.58**	**21.60**
Additions	6.36	9.92
Reversals	10.92	5.94
Closing balance	**21.02**	**25.58**

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.

NOTE 38 - CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax liabilities less payments	119.05	48.27
	119.05	**48.27**

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NOTE 39 - REVENUE FROM OPERATIONS

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Sale of products (Refer Note 51)		
- Towers and structurals	899.76	1,071.39
- Cables	764.73	753.67
	1,664.49	**1,825.06**
(b) Construction contracts revenue (Refer Note 51)		
- Transmission and distribution	6,600.91	6,849.12
- Other EPC	4,691.98	3,058.71
	11,292.89	**9,907.83**
(c) Sale of services (Refer Note 51)		
- Tower testing and design revenue	29.22	26.15
- Operating and maintance revenue	6.34	5.88
	35.56	**32.03**
(d) Other operating revenue		
- Scrap sales	117.77	113.91
- Others	3.49	86.54
	121.26	**200.45**
	13,114.20	**11,965.37**

NOTE 40 - OTHER INCOME

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest income earned on financial assets that are not designated at fair value through profit or loss:		
(i) Bank deposits (at amortised cost)	0.44	1.40
(ii) Other financial assets carried at amortised cost	3.49	1.37
	3.93	**2.77**
(b) Interest income earned on financial assets that are designated at fair value through profit or loss:		
- Interest on Commercial Paper	0.44	0.50
	0.44	**0.50**
(c) Other Interest Income		
(i) Excise and VAT refund	0.07	1.73
(ii) Income tax refund	0.30	0.04
	0.37	**1.77**
(d) Government Grant *	**-**	**0.79**
(e) Other non-operating income:		
- Guarantee charges	0.51	0.53
- Profit on sale of property, plant and equipment (net) **	8.15	0.06
- Miscellaneous income	16.52	4.68
	25.18	**5.27**
	29.92	**11.10**

Note:

* Government grant are related to asset acquired under EPCG scheme. There are no unfulfilled conditions and other contingencies attached to this grant.

** Includes ₹ 7.05 crore as profit on sale of land [(Refer note 24.1 (b)]

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NOTE 41 - COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of materials consumed (including project bought outs)	5,696.99	5,669.62
	5,696.99	**5,669.62**

NOTE 42 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock		
Finished goods	160.34	119.34
Work-in-progress	124.67	87.64
	285.01	**206.98**
Less: Closing stock		
Finished goods	195.93	160.34
Work-in-progress	85.47	124.67
	281.40	**285.01**
	3.61	**(78.03)**

NOTE 43 - ERECTION AND SUB-CONTRACTING EXPENSES

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Erection / construction materials consumed	1,032.55	526.44
Stores consumed	40.76	31.61
Sub-contracting expenses	2,407.18	1,934.30
Power, fuel and water charges	28.60	30.27
Construction transport	102.58	82.94
Others	295.34	221.09
	3,907.01	**2,826.65**

NOTE 44 - EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	998.23	992.49
Contribution to provident fund and other funds	46.83	41.05
Staff welfare expenses	70.03	70.82
	1,115.09	**1,104.36**

NOTE 45 - FINANCE COSTS

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense for financial liabilities not classified at FVTPL (including yield on debentures)	257.40	300.29
Other borrowing costs (processing fees, etc.)	5.29	7.69
	262.69	**307.98**

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

NOTE 46 - DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (Refer Note 5)	99.94	96.37
Depreciation on Right of Use Assets (Refer Note 6)	26.35	24.07
Amortisation of intangible assets (Refer Note 8)	26.24	26.76
	152.53	**147.20**

NOTE 47 - OTHER EXPENSES

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Tools, non-erection stores and maintenance spares	16.97	19.25
Power and fuel	51.03	61.39
Rent	37.61	34.44
Rates and taxes, excluding taxes on income (net)	59.76	56.42
Insurance	88.58	81.77
Bank (guarantee, letter of credit and other) charges	97.79	95.10
Commission	68.05	86.01
Freight and forwarding (net)	342.13	384.30
Repairs to buildings	4.65	6.27
Repairs to plant and equipment	16.75	19.08
Repairs to other property, plant and equipment	12.25	13.60
Travelling and conveyance	67.11	101.41
Payment to statutory auditors (net of GST input credit, where applicable)*		
- as auditors (for audit of financial statements and limited reviews)	1.17	1.17
- for tax audit	0.08	0.08
- for certification work	1.71	1.14
- for reimbursement of expenses	0.02	0.13
	2.98	**2.52**
Professional fees	113.01	107.85
Bad debts, loan and advances written off	51.48	32.51
Less: Adjusted against allowance for bad and doubtful debts, loans and advances	(9.05)	(4.91)
	42.43	**27.60**
Allowance for bad and doubtful debts, loans and advances (net)	41.38	26.80
Directors' fees	0.61	0.49
Loss on property, plant and equipment discarded	0.86	0.50
Net (gain)/loss on foreign currency transactions (Refer Note 47.2)	(11.37)	(115.96)
Corporate Social Responsibility (Refer Note 61)	11.81	8.37
Miscellaneous expenses (Refer Note 47.1)	185.90	191.21
	1,250.29	**1,208.42**

Note - 47.1 :

Miscellaneous expenses shown above include fees of ₹ 1.98 crore (Previous Year ₹ 1.73 crore) paid to branch auditors, fees of ₹ 0.29 crore for auditors of joint operations (Previous year of ₹ 0.22 crore) and fees of ₹ 0.07 crore (Previous year ₹ 0.07 crore) paid to the cost auditors.

Note - 47.2 :

Net gain on foreign currency transactions includes gain on derivative instruments ₹ 2.07 crore (previous year gain ₹ 4.96 crore)

NOTES

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NOTE 48 INCOME TAX RECOGNISED IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of the current year	274.29	256.17
In respect of prior years	5.71	29.26
	280.00	**285.43**
Deferred tax		
In respect of the current year	(76.81)	(60.68)
	(76.81)	**(60.68)**
Total income tax expense recognised in the Consolidated Statement of Profit and Loss	**203.19**	**224.75**

Note 48.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Statement of Profit and Loss is as follows:

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax from continuing operations	755.91	790.27
Indian Statutory income tax rate	25.17%	25.17%
Income tax expense	190.26	198.91
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	4.23	9.67
Corporate social responsibility expenditure	1.97	1.05
Donation	1.38	0.12
Tax effect of amounts taxable at lower tax rates/ different tax rates	6.14	1.25
Effect of different tax rates of subsidiaries operating in other jurisdictions	(12.87)	4.76
Foreign Tax credit not available	7.19	2.88
Reduction in Tax Rate	-	(23.61)
Effect of deferred tax liabilities on temporary adjustments of subsidiaries operating in other jurisdiction	0.22	-
Tax effect due to business combination adjustment on account of merger and acquisition	(1.03)	0.46
	197.49	**195.49**
Adjustments recognised in the current year in relation to the current tax of prior years	5.70	29.26
Income tax expense in the Consolidated Statement of Profit and Loss	**203.19**	**224.75**

(i) The tax rate used for the financial years 2020-21 and 2019-20 reconciliations above is the corporate tax rate of 25.17% and 25.17% payable by the corporate entities in India on taxable profits under the Indian tax law.

(ii) The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act. 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has created provision for current year and remeasured its Deferred Tax Liability basis the rate prescribed in this section. The impact of this change as recognised in the Statement of Profit and Loss is Nil (Previous year ₹ 22.75 crore) and in Other Comprehensive Income is Nil (Previous year ₹ 0.86 crore).

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Note 48.2 Income tax recognised in other comprehensive income

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
- Translation of foreign joint operations	1.14	(2.69)
- Net gain on designated portion of hedging instruments	(13.11)	11.28
- Remeasurement of defined obligations	(1.00)	(1.02)
Total income tax recognised in other comprehensive income	**(12.97)**	**7.57**
Bifurcation of the income tax recognised in other comprehensive income into :		
- Items that will not be reclassified to profit or loss	(1.00)	(1.02)
- Items that will be reclassified to profit or loss	(11.97)	8.59
	(12.97)	**7.57**

NOTE 49 - EARNINGS PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	(₹ Per Share)	(₹ Per Share)
Continuing Operations		
(a) Basic earnings per share	21.50	22.00
(b) Diluted earnings per share	21.50	22.00

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, 2021	For the year ended March 31, 2020
Profit for the year attributable to the equity share holders of the Company	552.72	565.52
Earnings used in the calculation of basic/ diluted earnings per share	552.72	565.52

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
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 50- JOINT OPERATIONS

Details of the Company's Joint Operations are as under:

	Particulars	Ownership Interest As at March 31, 2021	Ownership Interest As at March 31, 2020
a)	**Joint Operations**		
i	Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer Note 50 (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 – DUSTAN 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 – KEIL 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) KOCHI METRO	74.00%	74.00%
xxii	KEC – CCECC JV (CIVIL) KOCHI METRO	74.00%	74.00%
xxiii	CCECC – KEC JV (CIVIL) DELHI METRO	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%	-

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 "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 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 Company accounts for assets, liabilities, revenue and expenses relating to its interest in joint 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 Company has recognised its share in total income from operations ₹ 1,129.84 crore (for the year ended March 31, 2020 ₹ 486.60 crore), total expenditure (including tax) ₹ 1103.17 crore (for the year ended March 31, 2020 ₹ 480.32 crore), total assets as at March 31, 2021 ₹ 987.25 crore (as at March 31, 2020 ₹ 909.60 crore) and total liabilities as at March 31, 2021 ₹ 821.78 crore (as at March 31, 2020 ₹ 720.57 crore) in Jointly Controlled Operations.

iii) The Company has entered into certain Joint Venture (JV) agreements for execution of various projects. Though the legal form of all these agreements is a "joint venture", these JVs are not jointly controlled by both the parties as per 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 company has recognised revenue and expenses related to it's own share of work in standalone financials and these JVs financials are not considered for the purpose of consolidation.

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NOTE 51 - REVENUE FROM CONTRACTS WITH CUSTOMERS

51.1 Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Company derives revenue from the transfer of goods and services over time in the following major product lines and geographical regions:

₹ in Crore

As on March 31, 2021	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Total
Segment revenue							
- India	2,421.75	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
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	**7,545.58**	**3,384.52**	**1,074.74**	**787.38**	**147.82**	**52.89**	**12,992.93**
Timing of revenue recognition							
- At a point in time	926.04	-	2.57	764.74	6.69	-	1,700.04
- Over time	6,619.54	3,384.52	1,072.17	22.64	141.13	52.89	11,292.89
	7,545.58	**3,384.52**	**1,074.74**	**787.38**	**147.82**	**52.89**	**12,992.93**

₹ in Crore

As on March 31, 2020	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Total
Segment revenue							
- India	2,129.64	2,544.67	375.99	863.88	57.03	69.15	6,040.36
- UAE	651.58	-	-	17.78	-	-	669.36
- Brazil, Mexico & USA	1,447.33	-	-	-	-	-	1,447.33
- Geographies other than above	3,959.37	-	-	83.03	-	-	4,042.40
Inter-segment (SBU) revenue							
- India	1.47	-	-	157.17	-	-	158.64
- UAE	-	-	-	-	-	-	-
- Brazil, Mexico & USA	11.14	-	-	-	-	-	11.14
- Geographies other than above	264.75	-	-	-	-	-	264.75
Revenue from external customers	**7,910.56**	**2,544.67**	**375.99**	**807.52**	**57.03**	**69.15**	**11,764.92**
Timing of revenue recognition							
- At a point in time	1,097.61	-	-	753.67	2.88	-	1,854.16
- Over time	6,812.95	2,544.67	375.99	53.85	54.15	69.15	9,910.76
	7,910.56	**2,544.67**	**375.99**	**807.52**	**57.03**	**69.15**	**11,764.92**

The Company recognised revenue amounting to ₹ 328.43 crore (for the year ended March 31, 2020, ₹ 297.17 crore) in the current reporting period that was included in the contract liability balance as of March 31, 2020.

51.2 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, 2021 is ₹ 19,109 crore (for the year ended March 31, 2020, ₹ 20,503 crore). On an average, transmission, distribution and railway 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, 2021 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

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.

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51.3 There are no reconciliation items of revenue recognised from contracts with customers and contract price.

51.4 In case of transmission and distribution projects, where the goods are procured from a third party, the Company makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Company 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 52 - LEASES

₹ in Crore

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	**The Balance sheet shows the following amounts relating to leases:**		
	Right of use assets (Refer Note 6)		
	Buildings	61.55	70.93
	Plant & Machinery	2.24	3.82
	Vehicles	0.63	1.46
	Land	71.90	70.79
		136.32	**147.00**
	Lease liabilities		
	Current (Refer Note 32)	27.35	34.55
	Non-current (Refer Note 28)	113.06	111.08
		140.41	**147.00**

₹ in Crore

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(ii)	**Amounts recognised in statement of profit and loss**		
	Depreciation charge on Right of use assets (Refer Note 6)		
	Buildings	19.03	22.34
	Plant & Machinery	1.56	0.22
	Vehicles	0.64	0.17
	Land	5.11	1.34
		26.34	**24.07**
(iii)	Interest expense included in finance cost	5.21	5.86
(iv)	Expense relating to short-term leases (included in other expenses)	37.76	34.44
(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	0.03	0.02
(v)	Amount recognised in profit and loss arising from rent concessions (refer note 52.1) - (gain) / loss	(1.60)	-

Total cash outflow for leases during current financial year is ₹ 25.58 crore.

Additions to the right to use assets during the current financial year is ₹ 21.34 crore.

There are no sale & leaseback transactions.

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.

Short term leases are leases with a lease of 12 months or less. There are no low value assets during the current year.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate.

The weighted average incremental borrowing rate applied is 6.00%.

Note 52.1

The Company 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 NO 53 - FINANCIAL INSTRUMENTS

53.1 Capital Management

The Company manages its capital to ensure that the Company 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 Company consists of net debt (borrowings as detailed in Notes 27 and 31 offset by cash and bank balances in Notes 18 and 19) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company 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, 2021	As at March 31, 2020
Debt *	A	1,928.49	2,380.00
Cash and bank balances	B	249.17	163.67
Net debt (C)	C=A-B	1,679.32	2,216.33
Total equity	D	3,359.69	2,797.58
Net debt to equity ratio (E)	**E=C/D**	**0.50**	**0.79**

★ Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in **Notes 27 and 31** and includes interest accrued but not due on borrowings.

53.2 Categories of financial instruments

₹ in Crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Non-current investment						
- Investment in equity instruments	-	★	-	-	★	-
- Investment in commercial Paper	1.06	-	-	22.50	-	-
Trade receivables #	-	-	5,566.82	-	-	5,444.78
Cash and bank balances	-	-	249.17	-	-	163.67
Loans	-	-	112.91	-	-	112.96
Other financial assets						
- Derivative instruments						
i) Forward exchange contracts	2.07	11.70	-	4.96	-	-
ii) Over the counter (OTC) commodity derivative contracts	-	1.70	-	-	-	-
- Others	-	-	3.52	-	-	1.11
Financial liabilities						
Borrowings	-	-	1,928.49	-	-	2,380.00
Trade payables	-	-	6,174.92	-	-	5,007.25
Other financial liabilities						
- Derivative instruments						
i) Forward exchange contracts**	-	-	-	-	4.63	-
ii) Over the counter (OTC) commodity derivative contracts	-	-	-	-	34.18	-
- Others	-	-	158.15	-	-	156.83

* less than rounding off norms adopted by the Company

Trade receivable pledged as collateral for borrowings - Refer Notes 27 and 31

** Includes impairment loss on MTM on forward contract amounting to ₹ 0.09 crore

© FVPL - Fair Value through Profit or Loss

' FVOCI - Fair Value Through Other Comprehensive Income

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53.3 Financial risk management objectives

The Company'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 Company. These risks include market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

The Company 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 Company 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 Company 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.

53.4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see Notes 53.5 and 53.10 below) and commodity price (see Note 53.8 below). The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- forward foreign exchange 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.

53.5 Foreign currency risk management

The Company 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 Company'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 Company: ₹ in Crore

Particulars	USD	BRL	EUR	AED	Others	Total
As at March 31, 2021						
Assets	2,047.11	151.81	591.96	405.74	1,346.05	4,542.65
Liabilities	(1,882.15)	(285.91)	(99.38)	(314.08)	(597.66)	(3,179.18)
As at March 31, 2020						
Assets	1,545.43	221.36	516.03	235.96	956.82	3,475.59
Liabilities	(1,678.38)	(422.36)	(326.66)	(382.07)	(509.50)	(3,318.96)

53.6 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 jointly controlled operations and forward contracts denominated in hedge relationship.

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5% appreciation / depreciation in the functional currency of the Company, 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, 2021	For the year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	+5%	(17.27)	2.01	9.02	4.63
	-5%	17.27	(2.01)	(9.02)	(4.63)
BRL	+5%	-	-	6.71	10.05
	-5%	-	-	(6.71)	(10.05)
AED	+5%	(8.83)	(0.08)	4.24	7.38
	-5%	8.83	0.08	(4.24)	(7.38)
EUR	+5%	(25.27)	(9.50)	0.64	0.03
	-5%	25.27	9.50	(0.64)	(0.03)
Others	+5%	(23.40)	(12.31)	(14.02)	(10.06)
	-5%	23.40	12.31	14.02	10.06

53.7 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 Company mainly uses forward contracts to manage the foreign currency risk.

The following table details the forward foreign currency (FC) 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Buy USD/INR						
Less than 3 months	0.42	0.20	31.09	14.45	0.02	0.52
Sell USD/INR						
Less than 3 Months	-	0.94	-	68.44	-	(3.42)
3 to 6 months	1.76	-	131.73	-	(0.36)	-
More than 6 Months	3.76	3.85	286.66	294.12	0.86	(2.29)
Sell EURO/ USD						
Less than 3 Months	0.27	1.10	22.78	94.06	(0.31)	3.03
3 to 6 months	2.05	-	177.28	-	0.46	-
More than 6 Months	2.55	1.84	222.73	156.69	2.68	3.46
Sell EURO/ INR						
Less than 3 Months	0.31	0.64	27.91	52.40	1.11	(0.67)
More than 6 Months	2.83	1.38	255.09	116.97	0.08	0.02
Buy USD/MYR						
3 to 6 months	1.29	-	22.46	-	(0.20)	-
More than 6 Months	-	1.29	-	23.56	-	1.10
Buy JPY/INR						
Less than 3 months	79.95	6.40	55.47	4.38	(2.34)	0.10
3 to 6 months	5.26	-	3.81	-	(0.27)	-
More than 6 Months	-	35.06	-	24.13	-	0.97
BUY JPY/USD						
Less than 3 months	54.11	-	36.83	-	(1.05)	-
3 to 6 months	57.82	-	39.99	-	(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	0.13	11.98	9.82	0.78	1.92
3 to 6 months	0.01	-	0.85	-	0.08	-
Buy EUR / BRL						
Less than 3 Months	0.01	0.01	1.18	1.17	0.01	0.22
Total					**2.07**	**4.96**

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The line-items in the balance sheet that include the above instruments are "Other financial assets".

For the year ended March 31, 2021, the aggregate amount of realised gain under forward foreign exchange contracts recognised in the Statement of Profit and Loss is ₹ 11.96 Crore (for the year ended March 31, 2020: ₹ 90.95 Crore).

In respect of the Company's foreign currency forward contract (buy), a 5% appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate loss of ₹ 1.62 crore / ₹ 4.55 crore and gain / (loss) of ₹ 3.96 crore / (₹ 0.77 crore) for the year ended March 31, 2021 and the year ended March 31, 2020 respectively, in the Company's Statement of Profit and Loss.

In respect of the Company'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 (₹ 51.48 crore) / ₹ 59.70 crore and (loss) /gain of (₹ 37.36 crore) / ₹ 38.34 crore for the year ended March 31, 2021 and the year ended March 31, 2020 respectively, in the Company's Statement of Profit and Loss.

The Company has designated following forward contracts as cash flow hedges which arre 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sell USD/INR						
Less than 3 months	0.40	0.20	30.30	14.73	0.73	(0.52)
More than 6 Months	-	3.50	-	267.90	-	(5.33)
Sell EUR/INR						
Less than 3 months	1.19	-	108.97	-	5.66	-
More than 6 Months	1.49	0.80	139.21	70.30	5.31	1.32
Total					**11.70**	**(4.53)**

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, 2021	Foreign exchange risk	11.70	-	18.28	Revenue
March 31, 2020	Foreign exchange risk	(4.53)	-	(5.80)	Revenue

There is no ineffectiveness due to matching maturity profile of financial derivative contract and underlying transaction.

In respect of the Company'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 (₹ 1.71 crore) / ₹ 24.96 crore and (loss) /gain of (₹ 22.48 crore) / ₹ 13.28 crore for the year ended March 31, 2021 and for the year ended March 31, 2020, in the Company's Statement of Other Comprehensive Income.

53.8 Commodity price risk

The Company 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 Company either places a firm order on the supplier or hedges its exposure on the London Metal Exchange (LME) directly.

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Outstanding commodity contracts :

Cash flow hedges		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, 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)
As at March 31, 2020	Less than 3 months	2.03	0.74	0.34	0.16	144.09	52.45	24.00	11.11	(17.55)	(4.19)	(3.35)	0.08
	3 to 6 months	0.42	0.45	0.42	0.01	29.90	31.88	30.05	0.70	(1.37)	(3.96)	(3.87)	0.03

In respect of the Company's commodity derivative contracts, a 10% appreciation/depreciation of all commodity prices underlying such contracts, would have resulted in an approximate gain/(loss) of ₹ 10.62 crore / (₹ 7.16 crore) and an approximate gain/(loss) of ₹ 3.14 crore / (₹ 65.23 crore) in the Statement of other comprehensive income for the year ended March 31, 2021 and for the year ended March 31, 2020 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 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, 2021	Commodity price risk	1.84	(0.14)	73.33	Cost of goods sold
March 31, 2020	Commodity price risk	(34.04)	(0.14)	(24.15)	Cost of goods sold

53.9 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company 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 Company'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 Company evaluates the creditworthiness based on publicly available financial information and the Company's historical experiences. The Company'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 Company directly reduces the gross carrying amount of a financial asset when the Company 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 Company 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 Company also considers the other financial and non-financial assets and liabilities recognized within the same project to provide additional indications on the Company's exposure to credit risk. As such, in addition to the age of its Financial Assets, the Company 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 Company 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 No.10, 11, 12 and 17 for ECL provisioning and its movement on financial assets carried at amortised cost.

Concentration risk: As at the year ending March 31, 2021, two customers are exceeding 10% of the Company's total trade receivables, which was nil as at March 31, 2020. However, these customers do not contribute to more than 10% of the revenue of the Company.

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In addition the Company is exposed to credit risk in relation to financial guarantees given by the Company on behalf of its subsidiaries and joint operations (net of Company's share). The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (net of Company's share in joint operations), as at March 31, 2021 ₹ 46.01 crore (as at March 31, 2020; ₹ 105.67 crore). These financial guarantees have been issued to the banks / customers on behalf of the subsidiaries and joint operations under the agreements entered into by the subsidiaries/ Joint operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Company considers the likelihood of any claim under the guarantee is remote.

Cash and cash equivalents:

As at the year end, the Company held cash and cash equivalents of ₹ 199.79 crore (March 31, 2020 ₹ 152.68 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.

53.10 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, 2021	As at March 31, 2020
Variable rate borrowing (including interest bearing acceptances)	2,504.12	2,570.16
Fixed rate borrowing	946.85	914.09
Total borrowings	**3,450.97**	**3,484.25**

53.11 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 Company's :

Profit for the year ended March 31, 2021 would decrease/increase by ₹ 12.52 Crore (for the year ended March 31, 2020: decrease/ increase by ₹ 12.85 Crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

During the year, the Company's sensitivity in interest rate has decreased due to decrease in variable debt instruments compared to last year.

53.12 Liquidity risk management

The Board of Directors of the Company have established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company 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.

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The following table details the Company'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 Company 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 Company may be required to pay.

₹ in Crore

Particulars	Less than 1 year	1-3 Years	3-5 Years and more	Total	Carrying Amount
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	81.41	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**	**103.34**	**8,261.55**	**8,261.55**
As at March 31, 2020					
Interest bearing liabilities	3,171.27	312.98	-	3,484.25	3,484.25
Lease liabilities	34.55	64.29	46.79	145.63	145.63
Trade payables	3,896.31	-	-	3,896.31	3,896.31
Other financial liabilities	56.70	-	-	56.70	56.70
Total	**7,158.83**	**377.27**	**46.79**	**7,582.89**	**7,582.89**

The Company 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 ₹ 8,443.54 crore as at March 31, 2021 (₹ 7,203.89 crore as at March 31, 2020).

53.13 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities. Fair value of the Company's financial assets and financial liabilities are measured on a recurring basis.

Some of the Company'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, 2021	March 31, 2020		
1)	Investment in commercial paper	Asset - ₹ 1.06	Asset - ₹ 22.50	Level 2	Use of quoted market prices
2)	Foreign currency forward contracts not designated in hedge accounting relationships	Asset - ₹ 2.07	Asset - ₹ 4.96	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a ₹ funding rate.
3)	Derivative instruments (Derivative instruments in designated hedge accounting relationships (Hedges of Highly Forecasted Sales using foreign currency forward contracts)	Asset - ₹ 11.70	Liability - ₹ 4.53	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a ₹ 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 - ₹ 1.70	Liability - ₹ 34.18	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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NOTE 54 - RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue expenses charged to Statement of Profit and Loss (including depreciation on Property, plant and equipment)	23.93	28.33
Expenditure capitalised during the year	-	-

NOTE 55 - 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 and Vadodara. 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.

2 **Defined Benefit Plans**

(A) Gratuity

(i) **Company & it's Joint Ventures**

The Company & it's joint venture in India 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**

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

In respect of the plan in India and jointly controlled operation in Saudi, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 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.

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(iii) **Overseas subsidiaries (SAE)**

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 (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.

(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. Currently, for the plan in India, it has a relatively balanced mix of investments in Insurance related products.
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 Company has recognised following amounts in the statement of profit and loss:

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Superannuation Fund	1.01	1.03
Provident Fund	4.00	3.26
Foreign Defined Contribution Plan	0.57	1.73

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Details of defined benefit plans

(A) Gratuity

₹ in Crore

		Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
I		**Components of defined benefit cost**		
	1	Current service cost	9.08	7.00
	2	Interest cost on benefit obligation (Net)	0.44	0.48
	A	**Total expenses included in Statement of Profit and Loss (P&L)**	**9.52**	**7.48**
	3	Actuarial changes arising from changes in demographic assumptions	0.13	(0.25)
	4	Actuarial changes arising from changes in financial assumptions	1.75	1.20
	5	Actuarial changes arising from changes in experience assumptions	(5.23)	(0.85)
	6	Return on Plan Assets (excluding interest income)	(0.45)	(2.13)
	B	**Total recognized in Other Comprehensive Income (OCI)**	**(3.80)**	**(2.03)**
	C	**Total defined benefit cost recognized in P&L and OCI**	**5.72**	**5.45**
II		**Actual Contribution and Benefits Payments for the year**		
	1	Actual Benefits Payments	(6.48)	(5.76)
	2	Actual Contributions	8.23	4.01
III		**Net asset/(liability) recognized in the Balance Sheet**		
	1	Present Value of Defined Benefit Obligations	58.43	55.88
	2	Fair Value of Plan Assets	48.15	41.49
	3	Exchange fluctuation on account of conversion of Jointly Controlled operation	2.04	1.66
	4	Net asset / (liability) recognized in the Balance Sheet	(12.32)	(16.05)
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	55.88	51.34
	2	Current Service Cost	9.08	7.00
	3	Interest Cost	3.29	3.20
	4	Benefits paid	(6.48)	(5.76)
	5	Actuarial changes arising from changes in demographic assumptions	0.13	(0.25)
	6	Actuarial changes arising from changes in financial assumptions	1.75	1.20
	7	Actuarial changes arising from changes in experience assumptions	(5.23)	(0.85)
	8	Present Value of Defined Benefit Obligations as at the end of the year	58.43	55.88
V		**Change in Fair Value of Plan Assets during the year**		
	1	Plan Assets as at the beginning of the year	41.49	38.37
	2	Interest Income	2.85	2.72
	3	Actual Company Contributions	8.23	4.01
	4	Benefits paid	(4.99)	(5.76)
	5	Expected return on Plan Assets (excluding interest income)	0.56	2.15
	6	Plan Assets as at the end of the year	48.15	41.49

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₹ in Crore

Particulars			As at March 31, 2021	As at March 31, 2020
VI-A Actuarial Assumptions (Considered for the Company)				
1	Discount Rate		6.40%	6.60%
2	Expected Return on plan assets		6.40%	6.60%
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 Joint Operation in Saudi)				
1	Discount Rate		1.60%	3.00%
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 KEC CCECC JV)				
1	Discount Rate		6.60%	
2	Expected Return on plan assets		0.00%	
3	Salary escalation Rate		6.00%	
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	7.00%	
		31-44 years	7.00%	
		45 years and above	7.00%	
VI-D Actuarial Assumptions (Considered for KEC Longjian JV)				
1	Discount Rate		7.30%	
2	Expected Return on plan assets		0.00%	
3	Salary escalation Rate		6.00%	
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	7.00%	
		31-44 years	7.00%	
		45 years and above	7.00%	
VI-E Actuarial Assumptions (Considered for overseas subsidiary at Mexico)				
1	Discount Rate		6.00%	6.97%
2	Salary escalation Rate		5.60%	5.60%
VI-F Actuarial Assumptions (Considered for overseas subsidiary at Malaysia)				
1	Discount Rate		4.10%	3.80%
2	Salary escalation Rate		0.00%	7.00%

VII The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.

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₹ in Crore

Particulars		As at March 31, 2021	As at March 31, 2020
VIII	**The major categories of Plan Assets of the Company as a percentage of the total plan assets**		
	Equity	4.19%	4.16%
	Debt	44.92%	14.16%
	Money Market Investments	50.89%	68.34%
	Mutual Fund	0.00%	13.34%
IX	**Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2021 ₹ 6.20 crore**		
X	**Weighed Average duration of the Plan**		
	Considered for the Company	6 years	6 years
	Considered for Joint Operation in Saudi	7 years	7 years
	Considered for JV - CCECC KEC	10 years	-
	Considered for JV - Longjian KEC	11 years	-

₹ in Crore

Particular	As at March 31, 2021	As at March 31, 2020
Maturity profile of defined benefit obligation		
Year 1	7.03	7.39
Year 2	11.62	10.30
Year 3	7.62	8.73
Year 4	8.05	8.47
Year 5	8.26	8.60
Next 5 years	41.49	42.71

₹ in Crore

	As at March 31, 2021	As at March 31, 2020
Financial assumptions sensitivity analysis		
A. Discount rate		
Discount rate - 50 basis points	59.22	56.50
Discount rate + 50 basis points	55.97	52.96
B. Salary increase rate		
Salary rate - 50 basis points	56.13	53.62
Salary rate + 50 basis points	58.98	55.83
Demographic assumptions sensitivity analysis		
C. Withdrawal Rate		
Withdrawal Rate - 100 basis points	58.08	55.31
Withdrawal Rate + 100 basis points	57.01	54.11

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.

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XI The following table shows a breakdown of the defined benefit obligation and plan assets by company:

₹ in Crore

Description	As at March 31, 2021								As at March 31, 2020				
	Gratuity							Total	Gratuity				Total
	India	Saudi	CCECC	Longjian	SAE	Malaysia	Dubai		India	Saudi	SAE	Malaysia	
(A) Present value of obligation	47.75	9.39	0.21	0.20	2.74	0.01	0.17	60.47	45.57	9.12	2.84	0.01	57.54
(B) Fair value of plan assets	48.15	-	-	-	-	-	-	48.15	41.63	-	(0.14)	-	41.49
(C) Total liability = (A) - (B)	**(0.40)**	**9.39**	**0.21**	**0.20**	**2.74**	**0.01**	**0.17**	**12.32**	**3.94**	**9.12**	**2.98**	**0.01**	**16.05**

(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

Particular	For the year ended March 31, 2021	For the year ened March 31, 2020
Company's contribution to the provident fund	7.54	7.00

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
a. Approach used	Deterministic	Deterministic
b. Discount Rate	6.40%	6.60%
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	8.06%	7.15%
e. Weighted Average YTM	8.06%	7.15%
f. Reinvestment Period on Maturity	6 years	6 years
g. Mortality Rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate

3 Short term employee benefits (Compensated Absences)

The short term employee benefits cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 34.82 crore (as at 31st March, 2020 ₹ 25.81 crore) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

NOTE 56 RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

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. 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. Kulkarni - Non - Executive Director (upto July 27, 2019)
Mr. S. M. Trehan - Non - Executive Director
Ms. Manisha Girotra - Non - Executive Director (upto June 10, 2019)
Mr. Vinayak Chatterjee - Non - Executive Director (upto August 12, 2019)
Mr. Vikram Gandhi - Non - Executive Director (w.e.f. August 7, 2019)
Mr. M. S. Unnikrishnan - Non - Executive Director (w.e.f. November 8, 2019)

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
Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)
Summit Securities Ltd (holds 10.93 percent Equity Shares of the Company)

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

(B) Transactions with the Related Parties

₹ in Crore

Transactions	As at March 31, 2021				As at March 31, 2020			
	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		**1.52**		**1.52**		**2.24**		**2.24**
CEAT Limited		0.74		0.74		2.21		2.21
CEAT Specialty Tyres Limited		0.62		0.62				
Raychem RPG Private Limited		0.16		0.16		0.03		0.03
Sale under Turnkey Contracts		**6.33**		**6.33**		**33.59**		**33.59**
CEAT Limited		6.33		6.33		33.59		33.59
Services rendered		**0.38**		**0.38**		**0.23**		**0.23**
CEAT Specialty Tyres Limited						**0.02**		**0.02**
CEAT Limited		0.12		0.12		0.07		0.07
RPG Life Sciences Limited		0.03		0.03		0.01		0.01
Swallow Associates LLP		0.02		0.02		0.02		0.02
Summit Securities Ltd.		0.05		0.05		0.05		0.05
RPG Enterprises Limited		0.16		0.16		0.06		0.06
Services received		**22.74**		**22.74**		**20.98**		**20.98**
CEAT Limited		5.95		5.95		6.06		6.06
RPG Enterprises Limited		16.77		16.77		14.92		14.92
Harrisons Malayalam Limited		0.02		0.02				
Purchase of goods		**10.30**		**10.30**		**11.13**		**11.13**
Raychem RPG Private Limited		10.30		10.30		10.96		10.96
CEAT Limited				-		0.17		0.17
Rent & maintenance charges paid		**4.41**		**4.41**		**4.47**		**4.47**
Palacino Properties LLP		0.24		0.24		0.25		0.25
Spencer and Company Limited		4.14		4.14		4.14		4.14
Raychem RPG Private limited		0.03		0.03		0.08		0.08
Compensation to Key Management Personnel								
Mr. Vimal Kejriwal - Managing Director & CEO	**7.19**			**7.19**	**6.81**			**6.81**
short-term employee benefits	6.86			6.86	6.52			6.52
(including Bonus and value of perquisites)								
post-employment benefits # $	0.33			0.33	0.29			0.29
other long-term benefits								
termination benefits								
share-based payment								

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

Transactions	As at March 31, 2021				As at March 31, 2020			
	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
Sitting fees & Commission paid to Non-Executive Directors	**10.00**			**10.00**	**7.57**			**7.57**
Mr. H. V. Goenka	8.47			8.47	6.29			6.29
Mr. A. T. Vaswani	0.23			0.23	0.18			0.18
Mr. D. G. Piramal	0.17			0.17	0.14			0.14
Mr. G.L. Mirchandani	0.17			0.17	0.14			0.14
Ms. Nirupama Rao	0.17			0.17	0.13			0.13
Ms. Manisha Girotra (upto June 10, 2019)					0.04			0.04
Mr. R. D. Chandak	0.24			0.24	0.19			0.19
Mr. S. M. Kulkarni (upto July 27, 2019)					0.04			0.04
Mr. S. M. Trehan	0.24			0.24	0.18			0.18
Mr. Vinayak Chatterjee (upto August 12, 2019)					0.07			0.07
Mr. Vikram Gandhi (w.e.f. August 7, 2019)	0.14			0.14	0.10			0.10
Mr. M. S. Unnikrishnan (w.e.f. November 8, 2019)	0.17			0.17	0.07			0.07
Advance received towards project execution		**4.81**		**4.81**		**11.79**		**11.79**
CEAT Limited		4.81		4.81		11.79		11.79
Contribution made			**15.49**	**15.49**			**10.28**	**10.28**
KEC International Limited Employee's Gratuity Fund			6.95	6.95			2.25	2.25
KEC International Limited Provident Fund			7.54	7.54			7.00	7.00
KEC International Limited Superannuation Fund			1.00	1.00			1.03	1.03

As the liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

$ Including PF and other benefits.

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

(C) Balances outstanding as at the year end

₹ in Crore

Balances	As at March 31, 2021 Key Management Personnel	As at March 31, 2021 Entities where control / significant influence by KMPs and their relatives exist	As at March 31, 2021 Post - employment benefit plan	As at March 31, 2021 Total	As at March 31, 2020 Key Management Personnel	As at March 31, 2020 Entities where control / significant influence by KMPs and their relatives exist	As at March 31, 2020 Post - employment benefit plan	As at March 31, 2020 Total
Amount receivable/ (payable)	**(9.38)**	**7.12**	**0.40**	**(1.86)**	**(7.09)**	**11.24**	**(3.94)**	**0.21**
RPG Life Sciences Limited		0.01		0.01		★		★
Raychem RPG Private Limited		(1.49)		(1.49)		(2.47)		(2.47)
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		(4.03)		(4.03)		0.70		0.70
CEAT Specialty Tyres Limited						0.02		0.02
Spencer and Company Limited		2.70		2.70		2.70		2.70
Swallow Associates LLP						★		★
Summit Securities Ltd.						★		★
Harrisons Malayalam Limited		9.85		9.85		9.84		9.84
RPG Enterprises Limited		(0.02)		(0.02)		0.35		0.35
KEC International Ltd. Employees' Group Gratuity Scheme			0.40	0.40			(3.94)	(3.94)
Mr. H. V. Goenka	(8.42)			(8.42)	(6.25)			(6.25)
Mr. A. T. Vaswani	(0.12)			(0.12)	(0.10)			(0.10)
Mr. D. G. Piramal	(0.12)			(0.12)	(0.10)			(0.10)
Mr. G. L. Mirchandani	(0.12)			(0.12)	(0.10)			(0.10)
Ms. Nirupama Rao	(0.12)			(0.12)	(0.10)			(0.10)
Ms. Manisha Girotra (upto June 10, 2019)					(0.03)			(0.03)
Mr. R. D. Chandak	(0.12)			(0.12)	(0.10)			(0.10)
Mr. S. M. Kulkarni (upto July 27, 2019)					(0.03)			(0.03)
Mr. S. M. Trehan	(0.12)			(0.12)	(0.10)			(0.10)
Mr. Vinayak Chatterjee (upto August 12, 2019)					(0.05)			(0.05)
Mr. Vikram Gandhi (w.e.f. August 7, 2019)	(0.12)			(0.12)	(0.08)			(0.08)
Mr. M. S. Unnikrishnan (w.e.f. November 8, 2019)	(0.12)			(0.12)	(0.05)			(0.05)

★less than rounding off norms adopted by the Company

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.

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NOTE 57 - 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, 2021	As at March 31, 2020
1	Sales Tax /Value Added Tax* (Tax/Penalty/Interest)	1994-2018	21.93	
		1994-2017		25.17
2	Excise Duty* (Tax/Penalty/Interest)	1994-2014	29.77	
		1994-2017		30.39
3	Service Tax* (Tax/Penalty/ Interest)	2003-2016	2.75	
		2003-2013		148.08
4	Entry Tax* (Tax/Penalty/Interest)	2001-2014	6.78	
		2001-2016		6.80
5	Goods & Services Tax* (Tax/Penalty/Interest)	2018-2021	0.14	
		2018-2019		0.15
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	
		A.Y. 2005-2006		1.88
	(ii) Income Tax matters mainly on account of Tax levied on guarantees given for Associated Enterprises	A.Y 2013-14 A.Y 2014-15 A.Y 2015-16 A.Y 2016-17	52.87	
		A.Y 2012-13 A.Y 2013-14 A.Y 2014-15 A.Y 2015-16 A.Y 2016-17		53.67
	(iii) Income Tax matters at overseas unit/s of the Company**	2002-2019	11.92	
		2002-2008		34.82
	(iv) Income Tax matters of a joint 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^^	1993-2020	19.14	
		1993-2019		20.02
9	Guarantees excluding financial guarantees-surety bonds obtained by Group's Subsidiaries in Brazil, Mexico and the United States for certain customer contracts.		589.99	652.29

★ 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 53.9.

Footnote for Note 57 (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.

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

(ii) Commitments

₹ in Crore

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	26.57	28.63
2	Derivative related commitments	Refer Notes 53.7 and 53.8	

NOTE 58 - 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 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, 2021	Year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
India	7,679.31	6,145.84	1,075.42	1,029.16
United Arab Emirates (UAE)	625.36	655.50	210.42	155.59
Brazil, Mexico and USA	1,141.50	1,538.79	501.80	542.57
Geographies other than above	3,668.03	3,625.24	119.52	76.27
Total	**13,114.20**	**11,965.37**	**1,907.16**	**1,803.59**

Information about major customers

During the current year ended March 31, 2021, revenue of ₹ 1991.73 crore (previous year ended March 31, 2020 is ₹ 1,968.17 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, 2021 and for the year ended March 31, 2020.

NOTE 59 – The details of amounts which are expected by the Company 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, 2021	As at March 31, 2020
Trade Receivables	1,436.98	1,356.43
Contract Assets	519.62	324.05
Contract Liabilities	284.51	228.62

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

NOTE 60 - 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

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies (together 'KEC 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	**77.79**	**2,613.80**	**116.89**	**646.08**	**378.27**	**35.51**	**121.25**	**681.59**
(Including joint operations and net of consolidation adjustments)								
Subsidiaries								
Indian								
1 KEC Power India Private Limited	0.01	0.35	-	0.01	-	-	-	0.01
Foreign								
1 RPG Transmission Nigeria Limited, Nigeria	0.01	0.19	-	-	(0.18)	(0.02)	-	(0.02)
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	-	(0.08)	(0.03)	(0.17)	(0.02)	-	(0.03)	(0.17)
3 KEC Investment Holdings, Mauritius	-	(0.08)	(0.02)	(0.13)	(0.31)	(0.03)	(0.03)	(0.16)
4 KEC Global Mauritius, Mauritius	0.12	4.16	-	-	(1.50)	(0.14)	(0.03)	(0.14)
5 KEC International (Malaysia) SDN BHD	0.28	9.42	0.89	4.92	(15.98)	(1.50)	0.61	3.42
6 KEC Tower LLC	3.51	117.80	0.07	0.38	1.72	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)
Add: Net effect of Intra group elimination of above all Subsidaries	2.95	99.06	-	-	-	-	-	-

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forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

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	2	3	4	5	6	7	8	9
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 Transmissão 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 and Consolidation adjustments	(20.30)	(682.02)	(0.52)	(2.85)	(262.00)	(24.59)	(4.88)	(27.44)
Total	**15.33**	**515.07**	**(17.80)**	**(98.37)**	**(262.00)**	**(24.59)**	**(21.87)**	**(122.96)**

NOTES

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2021

NOTE 61 - EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Gross amount required to be spent by the Company during the year	11.81	8.37
(b)	Amount spent during the year (in cash) on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above	7.54	8.37

Details of ongoing CSR Projects under Section 135(6) of the Act

₹ in Crore

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	-

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, 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: ₹ 4.27 crore as at March 31, 2021 has been transferred to a separate "CSR Unspent Account".

NOTE 62 – The Board of Directors of the Company at its meeting held on May 11, 2021 have recommended a Dividend of ₹ 4/- per equity share of ₹ 2/- each for the year ended March 31, 2021, subject to approval of the shareholders.

NOTE 63 – The review petition filed by the Joint Venture (JV) in the High Court of South Africa against the adverse order passed by the sole arbitrator reversing the favourable adjudication award of ₹ 62 crore, was decided by the High Court of South Africa on October 04, 2019 in favour of the JV, directing a fresh arbitration for certain claims to be carried out by a new arbitrator. Against the order of the High Court, the customer has filed an appeal (in the Supreme Court of South Africa), which was heard on February 16, 2021. The order of the Supreme Court is awaited.

NOTE 64 - The Company in 2017 was awarded a contract to complete a 880 km, 765 KV and 400 KV transmission line. The project construction was suspended in January 2019, due to liquidity issues faced by the erstwhile sponsors of the project. The Company has now signed a novation agreement with a new sponsor, duly approved by lenders and the regulators, to complete the balance work. Subsequent to year-end, the Company has also received substantial payment, as per the agreed payment schedule and the project work has commenced.

NOTE 65 - The Company 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.

NOTES

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NOTE 66 - The Company has unsecured Commercial Papers which are Listed on BSE Limited. Details of previous and next due date of interest & principal of Listed Commercial Papers are as follows:

Sr. No	ISIN	Previous due date	Next due date	Interest and Principal (₹ in Crore)
1	INE389H14FG3	7-Oct-20	N.A.	25
2	INE389H14FJ7	23-Nov-20	N.A.	100
3	INE389H14FN9	11-Dec-20	N.A.	50
4	INE389H14FO7	18-Dec-20	N.A.	100
5	INE389H14FL3	22-Dec-20	N.A.	100
6	INE389H14FK5	23-Dec-20	N.A.	100
7	INE389H14FP4	28-Dec-20	N.A.	50
8	INE389H14FW0	18-Feb-21	N.A.	50
9	INE389H14FR0	22-Feb-21	N.A.	150
10	INE389H14FY6	23-Feb-21	N.A.	25
11	INE389H14FV2	25-Feb-21	N.A.	50
12	INE389H14FT6	8-Mar-21	N.A.	100
13	INE389H14FU4	10-Mar-21	N.A.	50
14	INE389H14FX8	25-Mar-21	N.A.	50
15	INE389H14FM1	30-Mar-21	N.A.	90
16	INE389H14FQ2	N.A.	20-Apr-21	200
17	INE389H14FS8	N.A.	3-May-21	100
18	INE389H14GA4	N.A.	24-May-21	100
19	INE389H14GB2	N.A.	25-May-21	75
20	INE389H14FZ3	N.A.	28-Jun-21	25

Credit Rating for the Commercial Papers - CRISIL A1+ and IND A1+.

During the year ended March 31, 2021, the Company has repaid interest and principal of all Commercial Papers on their respective due dates.

NOTE 67 - Based on the assessment performed by the Company and considering the strong order book and available liquidity, the Company believes that the impact of Covid-19 is not material. Accordingly, the pandemic is not likely to have a significant impact on the Company's future operations, its profitability and recoverability of the carrying value of its assets, as at March 31, 2021 and on its control environment. The Company will continue to closely monitor material changes to future economic conditions, if any, as and when they arise.

NOTE 68 - CAPITAL WORK IN PROGRESS:

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**83.96**	**7.32**
Addition during the year	160.97	198.76
Capitalisation during the year	(227.01)	(125.43)
Effect of translation adjustment (gain)/loss	(0.02)	3.31
Closing Balance	**17.90**	**83.96**

NOTE 69 – The Auditors of Branches located in Abu Dhabi, 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, Company can adequately source the funding required at mentioned branches and JCO.

NOTE 70 – The Company has approved its financial statements in its board meeting dated May 11, 2021.

Signatures to Notes 1 to 70 which form an integral part of financial statements.

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

FORM AOC - 1

Annexure pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of the 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	905.45	92.16	1,048.56	50.96	-	-	(1.20)	-	(1.20)	-	100%
		USD(000)	123,856.19	12,605.88	143,432.63	6,970.56	-	-	(162.28)	-	(162.28)	-	
2	SAE Towers Brazil Subsidiary Company LLC, USA*	INR	-	-	-	-	-	-	-	-	-	-	100%
		USD(000)	-	-	-	-	-	-	-	-	-	-	
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	161.41	(64.39)	192.23	95.22	-	324.53	8.21	3.98	4.23	-	100%
		USD(000)	22,079.02	(8,808.55)	26,294.95	13,024.48	-	43,712.68	1,106.09	536.09	570.00	-	
5	SAE Towers Brasil Torres de Transmissao Ltda, Brazil*	INR	107.37	(34.14)	508.53	435.30	-	814.19	(150.80)	(51.73)	(99.06)	-	100%
		USD(000)	14,686.99	(4,670.19)	69,560.99	59,544.19	-	109,668.27	(20,311.63)	(6,968.43)	(13,343.21)	-	
6	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico*	INR	-	13.49	24.12	10.63	-	48.21	1.01	0.52	0.49	-	100%
		USD(000)	-	1,845.18	3,299.73	1,454.55	-	6,493.66	135.93	70.55	65.38	-	
7	SAE Towers Ltd, USA*	INR	14.63	3.47	51.35	33.25	-	300.96	0.18	0.15	0.03	-	100%
		USD(000)	2,001.00	474.63	7,023.77	4,548.14	-	40,537.83	24.11	20.00	4.11	-	
8	SAE Engenharia E Construcao Ltda, Brazil*	INR	-	-	-	-	-	-	-	-	-	-	100%
		USD(000)	-	-	-	-	-	-	-	-	-	-	
9	"KEC Engineering & Construction Services S de RL de CV, Mexico*"	INR	-	(2.36)	(2.33)	0.03	-	-	-	-	-	-	100%
		USD(000)	-	(323.21)	(319.27)	3.94	-	-	-	-	-	-	
10	KEC Investment Holdings, Mauritius	INR	569.16	142.98	716.03	3.88	-	-	(0.13)	-	(0.13)	-	100%
		USD(000)	77,855.78	19,558.81	97,945.07	530.48	-	-	(17.14)	-	(17.14)	-	
11	KEC Global Mauritius, Mauritius	INR	2.70	1.46	14.44	10.27	-	-	(0.00)	-	(0.00)	-	100%
		USD(000)	370.00	199.40	1,974.88	1,405.48	-	-	(0.21)	-	(0.21)	-	
12	KEC International (Malaysia) SDN. BHD, Malaysia	INR	1.80	7.62	72.50	63.08	-	269.62	6.53	1.60	4.92	-	100%
		MYR(000)	1,021.74	4,318.31	41,106.34	35,766.29	-	103,774.11	2,512.07	617.46	1,894.61	-	
13	RPG Transmission Nigeria Limited, Nigeria	INR	0.19	(0.00)	0.19	0.00	-	-	(0.00)	-	(0.00)	-	100%
		Naira(000)	10,000.00	(110.39)	10,002.11	112.50	-	-	(50.00)	-	(50.00)	-	
14	KEC Global FZ – LLC, Ras UL Khaimah, UAE	INR	1.99	(2.07)	0.35	0.43	-	-	(0.17)	-	(0.17)	-	100%
		AED(000)	1,000.00	(1,039.40)	177.93	217.33	-	-	(85.89)	-	(85.89)	-	

₹ 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)
15	Al-Sharif Group and KEC Ltd. Co, Saudi Arabia (Refere Note 2)	INR	5.85	216.38	398.06	175.82	-	185.63	24.65	6.80	17.85	-	51.10%
		SAR(000)	3,000.00	110,931.89	204,070.35	90,138.46	-	94,156.16	10,485.22	2,891.01	7,594.21	-	
16	KEC Towers LLC, Dubai, UAE (Refere Note 1)	INR	120.09	(2.29)	298.27	180.47	-	81.44	0.38	-	0.38	-	100%
		AED(000)	60,300.00	(1,150.16)	149,772.27	90,622.43	-	40,893.73	332.13	-	332.13	-	
17	KEC Power India Private Limited, India	INR	0.22	0.13	0.36	0.01	-	-	0.01	0.01	0.01	-	100%

The figures reported above are without considering elimination

Exchange rates as at year end considered for conversion:

1USD = ₹ 73.105

1AED = ₹ 19.915

1NAIRA= ₹ 0.192

1SAR = ₹ 19.506

1 MYR= ₹ 17.637

* 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 Towers LLC, Subsidiary, which was incorporated on November 24, 2019, has commenced operations during FY 2020-21.

2 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.

3 There are no Subsidiaries which have been incorporated, 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	31/03/2021
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 11, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of KEC International Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying standalone financial statements of KEC International Limited ("the Company"), which includes 26 jointly controlled operations consolidated on a proportionate basis (refer Note 3.3 to the attached standalone financial statements) and return of Company's 42 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, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 13 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Estimation of contract cost and revenue recognition (Refer note 3.5 and 37 to the standalone financial statements) Contract revenue amounting to ₹ 6,048.71 crore 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. This matter was also reported as Key audit Matter in relation to a Branch in Sri Lanka and a Jointly controlled operation in Saudi Arabia by the respective auditors.	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 judgement (including those related to contract performance under the lockdown and other restrictions imposed by Government of India) / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. • Checked the implications and related disclosures in the standalone financial statements pursuant to applicability of Ind AS 115. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.
Valuation of accounts receivable in view of risk of credit losses (Refer to Note 9 and 15 to the standalone financial statement) Accounts receivable amounting to ₹ 5,452.17 crore (including retention receivable) is a significant item in the Company's standalone financial statements as at March 31, 2021 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgement. 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. • We 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 and the level of credit loss charges over time; Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables.

OTHER INFORMATION

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Board 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 STANDALONE FINANCIAL STATEMENTS

6. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

   - Obtain sufficient appropriate audit evidence regarding the financial information of the branches or jointly controlled operations or business activities within the Company to express an opinion on the standalone financial statements. The other branches or jointly controlled operations included in the standalone 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.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

13. We did not audit the financial statements/financial information of 26 jointly controlled operations (refer Note 3.3 and 48 to the attached standalone financial statements) and 42 branches (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, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia) whose financial statements reflect total assets of ₹ 3,280 crore and net liabilities of ₹ 330 crore as at March 31, 2021, total revenue of ₹ 3,002 crore, profit after tax (net) of ₹ 126 crore, total comprehensive Income (comprising of profit and other comprehensive loss (net)) of ₹ 119 crore and cash outflows (net) of ₹ 19 crore for the year ended on that date.

14. 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 Statement insofar 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 the other auditors. The Company's management has converted the financial statements of such branches and joint operations to comply with the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches and joint operations is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

15. Our opinion on the Standalone 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

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

    c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

    d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

    e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2021 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 55 to the standalone financial statements;

    ii. The Company has made provision as at March 31, 2021, 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 31,2021 – Refer Note 20 to the standalone financial statements;

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

    iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

18. The Company 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: 21045255AAAAIM6416

Place: Mumbai
Date: May 11, 2021

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 17(g) of the Independent Auditor's Report of even date to the members of KEC International Limited on the standalone financial statements for the year ended March 31, 2021

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls with reference to standalone financial statements of KEC International Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date, which includes the internal financial controls over financial reporting of the Company's 42 branches.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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 Company's internal financial controls system with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 Company including 42 branches has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTER

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements insofar as it relates to 42 Branches of the Company, is based on the corresponding reports of the auditors of such Branches of the Company. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner

Place: Mumbai
Date: May 11, 2021

Membership Number: 045255
UDIN: 21045255AAAAIM6416

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of KEC International Limited on the Standalone financial statements as of and for the year ended March 31, 2021.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties as disclosed in Note 5 on fixed assets to the financial statements, are held in the name of the Company, except in respect of Industrial plots situated at Gandhinagar, Gujarat, admeasuring to 4891.45 sq. meters, Industrial plot situated at Mysore, Karnataka, admeasuring to 80,773 sq. meters, land and building situated at Jabalpur, Madhya Pradesh, admeasuring to 9000 sq. feet, a flat at Worli, Mumbai, admeasuring to 1,088.22 sq. feet, having Gross carrying amount aggregating 26.35 Crore and Net carrying amount aggregating 25.67 Crore as at Balance Sheet date, the titles of which have been transferred to and vested in the Company, pursuant to schemes of amalgamation/ arrangement in the earlier years and the procedural formalities for transfer in the name of the Company in the relevant documents are in process.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company is engaged in providing infrastructural facilities as specified in schedule VI of the Act and accordingly, the provisions of Section 186, except sub section (1), of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186(1) of the Companies Act, 2013 in respect of the loans and investments made by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 63 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise, Entry Tax and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹in Crore)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales tax and value added tax	0.43	2007-2008 to 2013-2014	Appellate Tribunal
		4.80	1994-1995 to 1997-1998 and 2008-2009 to 2014-2015	Rajasthan Tax Board, Ajmer
		26.55	2002-2003 to 2014-2015	Revisionary Board of Madhya Pradesh & West Bengal
		20.02	2002-2003 to 2016-2017	Appellate Authority – up to Commissioner's level
The Finance Act, 1994	Service Tax	177.61	2004-2005 to 2016-2017	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
The Customs Act, 1962	Customs Duty	0.60	1995-1996	High Court
The Central Excise Act, 1944	Excise Duty	1.61	1994-1995 to 2016-2017	Appellate Authority – up to Commissioner's level
		24.08	2006-2007 to 2016 -2017	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
		1.44	2005-2006 to 2016-2017	High Court
		0.13	2008-2009 to 2009-2010	Supreme Court of India
The Income- Tax Act, 1961		4.02	Assessment Year 2015-2016	Commissioner of Income Tax
The Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	5.98	1995-1996, 2004-2005, 2008-2009 to 2013-2014	Appellate Authority-I, Commercial Taxes, Jaipur.
Entry Tax Act, 1976, Madhya Pradesh	Entry Tax	0.23	2001-2002 to 2002-2003, 2009-2010 to 2011-2012,2015-2016	Appellate Authority – up to Deputy Commissioner's level, Board of Appeals, Madhya Pradesh.
Entry Tax, Gurgaon	Entry Tax	1.25	2013-14 to 2016-17	Sales Tax Appellate Authority
Goods Service Tax	Goods Service Tax	0.08	2018-19 to 2019-2020	GST Appeal

* Above numbers are net of amounts paid under protest

Note: For above purpose, only statutory dues payable in India have been considered.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank as at the balance sheet date. Further as the Company does not have any loan or borrowings from Government and financial institutions, nor has it issued any debentures as at balance sheet date, the provision of Clause 3(viii) of the Order are not applicable to the company to that extent.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company 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.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner

Place: Mumbai
Date: May 11, 2021

Membership Number: 045255
UDIN: 21045255AAAAIM6416

BALANCE SHEET

as on March 31, 2021

₹ in Crore

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	5	631.82	646.99
(b) Right-of-use Asset	6	11.65	22.65
(c) Capital work-in-progress (Refer note 66)		17.85	8.64
(d) Intangible assets	7	65.41	87.21
		726.73	**765.49**
(e) Financial assets			
(i) Investments	8	806.90	615.52
(ii) Trade receivables	9	182.13	18.90
(iii) Loans	10	13.24	10.95
(iv) Other financial assets	11	-	-
		1,002.27	**645.37**
(f) Non-current tax assets (net)	12	168.51	155.81
(g) Other non-current assets	13	311.04	194.31
Total Non -Current Assets		**2,208.55**	**1,760.98**
(2) Current Assets			
(a) Inventories	14	680.55	597.16
(b) Financial assets			
(i) Trade receivables	15	5,211.77	5,223.41
(ii) Cash and cash equivalents	16	133.06	85.51
(iii) Bank balances other than (ii) above	17	49.04	10.68
(iv) Loans	18	95.06	226.42
(v) Other financial assets	19	17.10	3.91
		5,506.03	**5,549.93**
(c) Contract Assets	20	4,415.16	3,481.33
(d) Current tax assets (net)	21	8.57	19.72
(e) Other current assets	22	628.63	711.02
Total Current Assets		**11,238.94**	**10,359.16**
Total Assets		**13,447.49**	**12,120.14**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	23	51.42	51.42
(b) Other equity	24	3,468.37	2,786.76
Total Equity		**3,519.79**	**2,838.18**
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	171.94	137.51
(ii) Lease liabilities	26	4.37	9.99
		176.31	**147.50**
(b) Provisions	27	8.58	12.20
(c) Deferred tax liabilities (net)	28	54.93	69.56
Total Non-Current Liabilities		**239.82**	**229.26**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	29	1,599.12	1,816.37
(ii) Lease liabilities	30	9.20	14.02
(iii) Trade payables			
- total outstanding dues of micro and small enterprises	31	129.29	137.20
- total outstanding dues other than micro and small enterprises		5,716.39	4,598.84
(iv) Other financial liabilities	32	19.84	276.83
		7,473.84	**6,843.26**
(b) Contract Liabilities	33	1,967.00	2,055.14
(c) Other current liabilities	34	74.81	58.55
(d) Provisions	35	56.55	52.20
(e) Current tax liabilities (net)	36	115.68	43.55
Total Current Liabilities		**9,687.88**	**9,052.70**
Total Equity and Liabilities		**13,447.49**	**12,120.14**

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

₹ in Crore

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	37	11,851.79	10,470.62
II	Other income	38	28.02	13.87
III	Total Income (I+II)		**11,879.81**	**10,484.49**
IV	Expenses			
	(i) Cost of materials consumed	39	4,845.99	4,776.64
	(ii) Changes in inventories of finished goods and work-in-progress	40	(3.58)	(71.44)
	(iii) Erection and sub-contracting expenses	41	3,890.90	2,822.53
	(iv) Employee benefits expense	42	767.37	742.69
	(v) Finance costs	43	241.35	276.96
	(vi) Depreciation and amortisation expense	44	121.78	117.69
	(vii) Other expenses	45	1,119.38	1,074.14
	Total expenses		**10,983.19**	**9,739.21**
V	Profit before tax (III - IV)		**896.62**	**745.28**
VI	Tax expense :	46		
	(i) Current tax		277.74	265.93
	(ii) Deferred tax		(27.21)	(66.38)
			250.53	**199.55**
VII	Profit for the year (V-VI)		**646.09**	**545.73**
VIII	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
	(i) Remeasurement of defined benefit obligations	53	2.47	1.83
	(ii) Income tax relating to these items	46.2	(0.61)	(0.96)
	B Items that will be reclassified to profit or loss			
	(i) Exchange differences on translation of foreign joint operations	24	(6.49)	20.60
	(ii) Net gain/(losses) on cash flow hedges	24	52.11	(43.10)
	(iii) Income tax relating to these items	46.2	(11.97)	8.59
	Total Other Comprehensive Income		**35.51**	**(13.04)**
IX	Total Comprehensive Income for the year (VII + VIII)		**681.60**	**532.69**
X	Earnings per equity share (of ₹ 2 each)			
	(i) Basic	47	25.13	21.23
	(ii) Diluted		25.13	21.23

The above statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Notes	Amount
Balance as at April 1, 2020		51.42
Changes in equity share capital during the year	23	-
Balance as at March 31, 2021		51.42

B. OTHER EQUITY

₹ in Crore

Particulars	Reserve and Surplus							Other Comprehensive Income			Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Statutory Reserve	Retained Earnings	Effective portion of Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	
Balance as at April 1, 2019	**84.98**	**86.75**	**14.28**	**38.75**	**152.98**	**0.95**	**2,050.91**	**2.96**	**16.20**	**(5.84)**	**2,442.92**
Profit for the year	-	-	-	-	-	-	545.73	-	-	-	545.73
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(31.82)	17.91	0.87	(13.04)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**545.73**	**(31.82)**	**17.91**	**0.87**	**532.69**
Transactions with owners in their capacity as owner											
Dividends	-	-	-	-	-	-	(156.61)	-	-	-	(156.61)
Dividend distribution tax	-	-	-	-	-	-	(32.24)	-	-	-	(32.24)
Balance as at March 31, 2020	**84.98**	**86.75**	**14.28**	**38.75**	**152.98**	**0.95**	**2,407.79**	**(28.86)**	**34.11**	**(4.97)**	**2,786.76**
Balance as at April 1, 2020	84.98	86.75	14.28	38.75	152.98	0.95	2,407.79	(28.86)	34.11	(4.97)	2,786.76
Profit for the year	-	-	-	-	-	-	646.09	-	-	-	646.09
Other Comprehensive Income for the year	-	-	-	-	-	-	-	39.00	(5.35)	1.86	35.51
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**646.09**	**39.00**	**(5.35)**	**1.86**	**681.60**
Transactions with owners in their capacity as owner											
Transfer to General reserve	-	-	-	(38.75)	38.75	-	-	-	-	-	-
Balance as at March 31, 2021	**84.98**	**86.75**	**14.28**	**-**	**191.73**	**0.95**	**3,053.89**	**10.14**	**28.76**	**(3.11)**	**3,468.37**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

CASH FLOW STATEMENT

for the year ended March 31, 2021

₹ in Crore

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
PROFIT FOR THE YEAR AFTER TAX		**646.09**		**545.73**
Adjustments for:				
Income tax expense	250.53		199.55	
Depreciation and amortisation expense	121.78		117.69	
Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets	(8.21)		(0.06)	
Loss on property, plant and equipment discarded & intangible assets derecognised	0.86		0.50	
Finance costs	241.35		276.96	
Interest income	(4.66)		(7.43)	
Adjustment on account of fair value of financial guarantees	-		(0.46)	
Bad debts, loans and advances written off (net)	42.43		27.60	
Allowance for bad and doubtful debts, loans and advances (net)	40.62		26.04	
Mark to market loss on forward and commodity contracts	1.52		93.36	
Net unrealised exchange (gain) / loss	30.69		(92.60)	
		716.91		**641.15**
		1,363.00		**1,186.88**
Changes in assets and liabilities				
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(83.39)		(127.93)	
Trade receivables	(353.05)		(410.97)	
Loans	13.12		(62.79)	
Other financial assets and contract assets	(1,010.23)		(211.22)	
Other current assets	82.57		68.33	
Other non-current assets	(115.87)		(29.94)	
		(1,466.85)		**(774.52)**
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	1,161.32		88.99	
Other current liabilities and contract liabilities	(71.21)		(54.51)	
Other financial liabilities	55.13		(4.89)	
Provisions	3.46		11.91	
		1,148.70		**41.50**
CASH GENERATED FROM OPERATIONS		**1,044.85**		**453.86**
Taxes paid (net of refunds)		(207.16)		(334.00)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)		**837.69**		**119.86**
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)	(135.01)		(113.19)	
Proceeds from sale of property, plant and equipment	64.76		0.58	
Payment towards investments in subsidiaries (including share application money)	(36.57)		(179.08)	
Loans given to a subsidiary	(40.99)		(138.95)	
Loans repaid by a subsidiary including interest*	0.85		44.67	
Interest received	5.90		4.11	
Bank balances (including non-current) not considered as Cash and cash equivalents (net)	(38.40)		89.97	
		(179.46)		**(291.89)**
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(179.46)**		**(291.89)**

CASH FLOW STATEMENT

for the year ended March 31, 2021

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from other than short-term borrowings	171.94	-
Repayments of other than short-term borrowings (including debentures)	(265.78)	(104.61)
Repayment of lease liabilities	(14.34)	(14.38)
Net increase / (decrease) in short-term borrowings	(159.17)	622.92
Finance costs paid	(336.68)	(242.69)
Dividend paid	(0.50)	(155.84)
	(604.53)	**105.40**
NET CASH FLOW GENERATED / USED IN FINANCING ACTIVITIES (C)	**(604.53)**	**105.40**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**53.70**	**(66.63)**
Cash and cash equivalents at the beginning of the year (Refer Note 16)	85.51	146.69
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(6.15)	5.45
Cash and cash equivalents at the end of the year (Refer Note 16)	**133.06**	**85.51**

* Excludes ₹ 154.81 crore for conversion of loan into equity, being a non-cash item.

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

₹ in Crore

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 accured interest)	18.19	156.16	-	-	(1.50)	172.85
Short term borrowings	1,818.73	(159.17)	-	(58.08)	(1.16)	1,600.32
Lease liabilities	24.01	(14.34)	2.74	(0.30)	1.46	13.57
Total liabilities from financing activities	**2,204.71**	**(267.35)**	**2.74**	**(58.38)**	**(94.98)**	**1,786.74**

The above cash flow statement should be read in conjunction with the accompanying notes.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

NOTES

forming part of the financial statements as at and for the year ended March 31, 2021

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 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 and other EPC businesses.

2. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Company has applied the following amendments for the first time for the annual reporting period commencing April 1, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

Amendments listed above did not have any material impact on the current period and are not expected to significantly affect the future period.

Amendments applicable from April 1, 2021

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The Company will implement the amendments which are applicable from April 1, 2021 pertaining to revision in Division I, II and III of Schedule III.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The 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 financial statements have been prepared on the historical cost basis except for certain financial instruments and employee benefit obligations, 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 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.

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 Interests in joint operations

A joint 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 Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;

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3. its revenue from the sale of its share of the output arising from the joint operation;

4. its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the assets, liabilities, revenues, and expenses.

When a Company transacts with a joint operation in which a Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Company's financial statements only to the extent of other parties' interests in the joint operation.

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

3.4 Non-current assets held for sale

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.

3.5 Revenue recognition

The Company derives revenue principally from following streams:

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

3.5.1 Sale of products:

Revenue from sale of products is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer.

Customers obtain control as per the incoterms. In determining the transaction price for sale of product, the Company 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.

3.5.2 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.

3.5.3 Construction contracts:

The Company 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 Company 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 contract includes price variation clause or there are amendments in contracts, the Company 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 Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. 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

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customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. 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 statement of financial position.

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. The percentage of completion is based primarily on contract cost incurred to date compared to total estimated contract cost for each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

3.5.4 Other Operating Revenue:

Export benefits under Merchandise Exports from India Scheme (MEIS), Service Export from India Scheme (SEIS) and Duty Drawback benefits are accounted as revenue on accrual basis as and when export of goods take place.

3.6 Leasing

As a lessee:

The Company 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 Company.

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, if any
- Amounts expected to be payable by the Company under residual value guarantees, if any
- Exercise price of the purchase option, if the Company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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 provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. The Company 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.

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Right-of-use assets are generally depreciated over the shorter of the asset's useful life and 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 Company 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.

3.7 Foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (functional currency). The Company's functional and presentation currency is Indian Rupees (₹) and the financial statements are presented in Indian Rupees (₹).

3.7.1 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.

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 monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to 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 3.21 below for hedging accounting policies)

3.7.2 Translation of foreign operations

In preparing these financial statements, the Company has applied following policies:

A) Foreign Branches:-

1. Income and expense items are translated at the exchange rates at the dates of the transactions and all resulting exchange differences are recognised in the Statement of Profit and Loss.
2. Non-monetary assets and liabilities are measured in terms of historical cost in foreign currencies and are not translated at the rates prevailing at the end of each reporting period. Monetary assets and liabilities are translated at the rates prevailing at the end of each reporting period. Exchange differences on translations are recognised in the Statement of Profit and Loss.

B) Joint Operations outside India with functional currency 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.
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 foreign currency translation reserve in the statement of changes in equity.

3.8 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 Company considers a period of twelve months or more as a substantial period of time. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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 Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

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

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3.9 Employee benefits

3.9.1 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 services entitling them to the contributions. The Company has no further payment obligation once the contributions 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 Company 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 Saudi, 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.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the 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 Statement of Profit and Loss. Past service cost is recognised in the 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. 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

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company'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.

3.9.2 Short-term employee benefit:

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 Company's liability for sick and earned leave. 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. Re-measurements as a result of experience adjustments and changes in actuarial assumptions, if any, are recognised in profit and loss.

3.10 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.

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3.10.1 Current tax

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Company, it's branches and jointly controlled operations operate and generate taxable income.

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

3.10.2 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with interests in joint operations except where the Company is able to control the reversal of the temporary difference and 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 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when entity has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

3.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in the 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.

3.11 Property, plant and equipment

Land and buildings 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. Freehold land is not depreciated. Leasehold land is amortised over the remaining period of the lease.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 measured as per previous GAAP and use that carrying value as deemed cost of the property, plant and equipment.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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.

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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 as per the useful life as estimated by the Management. The estimate of the useful life of the assets has been based on technical advice, 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	5-23
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 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.

3.12 Intangible assets

3.12.1 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.

3.12.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination 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.

3.12.3 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company 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

3.12.4 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, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.12.5 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. Brand in respect of the railway signalling business transferred to the Company pursuant to the High Court approved Scheme of Amalgamation is amortised over 10 year being its useful life, as estimated by the management.

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

3.13 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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 Company 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

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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 Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.14 Investments

Investment in equity shares of subsidiaries are measured at cost. Investments in equity instruments are measured at fair value through other comprehensive income.

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. (Also refer 3.17).

3.15 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 include material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

3.16 Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that the Company 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 and measured as provisions. An onerous contract is considered to exist where the Company 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.

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.

3.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company 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

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or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

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 Company commits to purchase or sell the asset.

3.18 Financial Assets

3.18.1 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 debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the Statement of Profit and Loss.

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

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

3.18.4 Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. 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 Statement of Profit and Loss.

3.18.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the asset. The Company continues to recognise the asset to the extent of Company's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

3.19 Financial liabilities and equity instruments

3.19.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.19.2 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 Company are recognised at the proceeds received, net of direct issue costs.

3.19.3. Financial liabilities

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

3.19.3.1 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.

3.19.3.2 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 a Company are initially measured at their fair value and, if not designated as at FVTPL, are subsequently measured at the higher of:

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- 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'.

The Financial guarantees issued to third parties on behalf of subsidiaries are recorded at fair value. The same is added in the cost of investment of a subsidiary and corresponding amount is recognised as Other income in the statement of Profit and Loss.

3.19.3.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange 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 Statement of Profit and Loss.

3.20 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and 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 investments. Further, details of derivative financial instruments are disclosed in Note 51.

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 Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

3.21 Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, 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 or a firm commitment 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 Company 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.

Note 51 sets out details of the fair values of the derivative instruments used for hedging purposes.

3.21.1 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 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 Statement of Profit and Loss in the periods when the hedged item affects profit or 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

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is recognised when the forecast transaction is ultimately recognised in the 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 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.

3.21.2 Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss is recognised in profit or loss.

3.22 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.

3.23 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- 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.

3.24 Rounding off amounts

All amounts disclosed in the 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 Company's accounting policies, which are described in Note 3, the Management of the Company 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 financial statements.

4.1 Classification of Joint Arrangement as a Joint Operation

In terms of Ind AS 111, 'Joint Arrangement', the Company has classified its joint arrangements as joint operations 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 48 for the list of joint arrangements).

4.2 Revenue recognition for construction contracts

Refer Note 3.5.3 and Note 49.

4.3 Useful lives of property, plant and equipment and intangible assets

As described in Notes 3.11 and 3.12 above, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. There was no change in the useful life of property, plant and equipment and intangible assets as compared to previous year.

4.4 Determination of lease term

In determining lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Most extension options in office leases have not been included in lease liability, because the Company could replace the asset without significant cost or business disruption. The lease term is reassessed if an option is actually exercised (or not exercised). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

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4.5 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. 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 financial statements. Although there can be no assurance of the final outcome of the legal proceedings in which the company is involved it is not expected that such contingencies will have a material effect on its financial position or profitability.

4.6 Income taxes

In preparing the financial statements, the Company 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 Company 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 Company 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.

4.7 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.8 Defined benefit obligations

Measurement of pension and other superannuation costs and obligations under various defined benefit and contribution plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

The discount rate is based on Government bond yield. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase in India. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost.

4.9 Fair value measurements

The Company 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 Company'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^	Leasehold Land	Buildings^	Plant and Equipment	Erection Tools	Furniture and Fixtures	Vehicles Owned	Office Equipment	Computers	Total
Gross carrying amount										
As at March 31, 2019	**65.90**	**50.08**	**164.03**	**592.38**	**101.12**	**25.89**	**55.40**	**11.42**	**31.28**	**1,097.50**
Additions	-	-	3.93	51.05	47.22	0.52	1.14	1.40	3.70	108.96
Disposal	-	-	0.17	2.28	3.16	0.15	1.16	0.27	0.31	7.50
Adjustments	-	-	0.52	1.20	1.41	0.37	1.67	0.16	0.16	5.49
As at March 31, 2020	**65.90**	**50.08**	**168.31**	**642.35**	**146.59**	**26.63**	**57.05**	**12.71**	**34.83**	**1,204.45**
Additions	-	-	2.89	63.42	55.70	0.17	-	0.86	3.80	126.84
Disposal	-	0.06	0.64	37.51	33.86	0.16	1.46	0.27	0.47	74.44
Adjustments	-	-	(0.17)	(0.40)	(0.48)	(0.13)	(0.56)	(0.05)	(0.06)	(1.84)
As at March 31, 2021	**65.90**	**50.02**	**170.39**	**667.86**	**167.95**	**26.51**	**55.03**	**13.25**	**38.10**	**1,255.01**
Accumulated depreciation										
As at March 31, 2019	**-**	**10.40**	**50.34**	**286.85**	**51.91**	**13.15**	**37.80**	**8.42**	**21.86**	**480.73**
Depreciation expenses (Refer note 44)	-	0.78	7.87	37.32	20.26	2.37	3.84	1.26	4.18	77.87
Disposal	-	-	0.16	1.73	3.04	0.13	0.92	0.25	0.26	6.48
Adjustments	-	-	0.50	1.11	1.40	0.36	1.67	0.15	0.15	5.34
As at March 31, 2020	**-**	**11.18**	**58.55**	**323.55**	**70.53**	**15.75**	**42.39**	**9.58**	**25.93**	**557.46**
Depreciation expenses (Refer note 44)	-	0.78	7.76	37.71	25.42	2.10	3.06	1.06	4.03	81.91
Disposal	-	0.01	0.61	7.25	4.83	0.15	1.35	0.25	0.44	14.89
Adjustments	-	-	(0.12)	(0.21)	(0.28)	(0.07)	(0.54)	(0.03)	(0.04)	(1.29)
As at March 31, 2021	**-**	**11.95**	**65.58**	**353.79**	**90.84**	**17.64**	**43.55**	**10.36**	**29.48**	**623.19**
Net carrying amount										
As at March 31, 2020	**65.90**	**38.90**	**109.76**	**318.80**	**76.06**	**10.88**	**14.66**	**3.13**	**8.90**	**646.99**
As at March 31, 2021	**65.90**	**38.07**	**104.81**	**314.06**	**77.11**	**8.88**	**11.47**	**2.89**	**8.62**	**631.82**

Note 5.1

^The title deeds of freehold land and buildings, having gross carrying amount aggregating ₹ 26.35 crore (as at March 31, 2020 ₹ 26.35 crore) and net carrying amount aggregating ₹ 25.67 crore (as at March 31, 2020 ₹ 25.70 crore) have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement in earlier years and the procedural formalities for transfer in the name of the Company is pending.

Note 5.2

For details of Property, plant and equipment having gross carrying amount aggregating ₹ 418 crore (As at March 31, 2020 ₹ 694.17 crore), which are pledged as security for borrowings - Refer Notes 25 and 29.

Note 5.3

Adjustments represents foreign currency exchange translation adjustment on account of jointly controlled operations which have different functional currency.

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NOTE 6 - RIGHT OF USE ASSETS (REFER NOTE 50 (I))

₹ in Crore

Description	Buildings	Land	Plant & Machinery	Vehicles	Total
Gross Carrying Amount					
As at April 01, 2019	**26.07**	**0.14**	**-**	**-**	**26.21**
Additions	4.59	0.40	3.25	1.63	9.87
Disposal	-	-	-	-	-
Adjustments	-	-	-	-	-
As at March 31, 2020	**30.66**	**0.54**	**3.25**	**1.63**	**36.08**
Additions	4.74	-	-	-	4.74
Disposal	4.85	-	-	0.29	5.14
Adjustments	-	-	-	-	-
As at March 31, 2021	**30.55**	**0.54**	**3.25**	**1.34**	**35.68**
Accumulated Depreciation					
As at April 01, 2019	**-**	**-**	**-**	**-**	**-**
Depreciation expenses (Refer note 44)	12.92	0.19	0.15	0.17	13.43
Disposal	-	-	-	-	-
As at March 31, 2020	**12.92**	**0.19**	**0.15**	**0.17**	**13.43**
Depreciation expenses (Refer note 44)	11.65	0.26	1.38	0.64	13.93
Disposal	3.23	-	-	0.10	3.33
As at March 31, 2021	**21.34**	**0.45**	**1.53**	**0.71**	**24.03**
Net carrying amount					
As at March 31, 2020	**17.74**	**0.35**	**3.10**	**1.46**	**22.65**
As at March 31, 2021	**9.21**	**0.09**	**1.72**	**0.63**	**11.65**

NOTE 7 - INTANGIBLE ASSETS

₹ in Crore

Particulars	Brands (Refer Note 7. 1)	Computer softwares	Total
Gross carrying amount			
As at April 1, 2019	**246.95**	**73.39**	**320.34**
Additions	-	2.64	2.64
Disposal	-	-	-
As at March 31, 2020	**246.95**	**76.03**	**322.98**
Additions	-	4.14	4.14
Disposal	-	-	-
As at March 31, 2021	**246.95**	**80.17**	**327.12**
Accumulated amortisation			
As at 1 April, 2019	**173.94**	**35.44**	**209.38**
Amortisation expenses (Refer note 44)	12.68	13.71	26.39
Disposal	-	-	-
As at March 31, 2020	**186.62**	**49.15**	**235.77**
Amortisation expenses (Refer note 44)	12.34	13.60	25.94
Disposal	-	-	-
As at March 31, 2021	**198.96**	**62.75**	**261.71**
Net carrying value			
As at March 31, 2020	**60.33**	**26.88**	**87.21**
As at March 31, 2021	**47.99**	**17.42**	**65.41**

Note 7.1

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, 2021 ₹ 48 crore (as at March 31, 2020 ₹ 60 crore) and the remaining amortisation period is 4 years (as at March 31, 2020 - 5 years).

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NOTE 8 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current :		
(A) Investment in Equity Instruments: (measured at cost)		
Unquoted		
(a) Subsidiaries - wholly owned		
10,000,000 Fully paid Ordinary Shares of Naira 1 each of RPG Transmission Nigeria Limited	0.35	0.35
1,000 Fully paid Equity Shares of AED 1,000 each of KEC Global FZ-LLC-Ras UL Khaimah, United Arab Emirates	1.19	1.19
47,855,780 (As at March 31, 2020, 42,650,382) Fully paid Ordinary Shares of US $ 1 each of KEC Investment Holdings, Mauritius (Refer Note 8.1)	*483.93	*412.23
30,000,000 4% Non Cumulative convertible preference shares US $ 1 each of KEC Investment Holdings, Mauritius (Refer Note 8.2 and 8.3)	193.39	193.39
603,000 (As at March 31, 2020, 3,000) Fully paid Equity Shares of AED 100 each of KEC Towers-LLC, Dubai, United Arab Emirates (Refer Note 8.4)	120.27	0.58
1,021,744 Fully paid Ordinary Shares of RM $ 1 each of KEC International Malaysia SDN BHD, Malaysia	4.58	4.58
370,000 Fully paid Ordinary Shares of US $ 1.00 each of KEC Global, Mauritius	2.33	2.33
221,022 Fully paid Equity Shares of ₹ 10 each of KEC Power India Private Limited	0.86	0.86
	806.90	**615.51**
(B) Investment in equity shares (at fair value through other comprehensive income)		
Unquoted		
4,900 Fully paid Equity Shares of ₹ 10/- each of RP Goenka Group of Companies Employees Welfare Association (Refer note 8.5)	★	★
	806.90	**615.52**
★less than rounding off norms adopted by the company.		
Aggregate book value of quoted investments and market value thereof	-	-
Aggregate book value of unquoted investments	806.90	615.52
Aggregate amount of impairment in the value of investments	-	-

Note 8.1 :- During the year, Company has acquired 3,225,806 (Previous year 17,123,288) shares of USD 1 each at a premium of 0.55 (previous year 0.46) per share of KEC Investment Holding, Mauritius. Further, the Company has converted loan given to its Subsidiary into equity 1,979,592 shares of USD 1 each at a premium of 1.45 per share of KEC Investment Holding, Mauritius.

Note 8.2 :- This represents investment in preference shares of KEC Investment Holdings, Mauritius. These shares are compulsorily convertible into equity shares with a conversion ratio of one is to four. The issuer has the option of early conversion as well with above fixed ratio. These is no mandatory dividend payout year on year. Considering the said terms, the investment has been classified as equity.

Note 8.3 :- These shares were offered on a private placement basis and it carries a fixed non-cumulative dividend at a rate of 1% per annum. The Company has an option to convert each OCPS into one equity shares of ₹ 10 each and to demand for the redemption of these shares after a lock in period of 5 years.

Note 8.4 :- During the year, The Company has converted loan given to its Subsidiary into Equity 600,000 shares at AED 100 each of KEC Towers LLC, Dubai.

Note 8.5 :- As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Company)', 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 Company. Any surplus upon winding up or dissolution of the Company shall not be distributed amongst the members of the Company but shall be given or transferred to such other Companies having objects similar to the objects of this Company, to be determined by the members of the Company 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 Company to transfer funds to the RP Goenka Group of Companies in the form of cash dividends, the fair value of the RP Goenka Group of Companies interest in the Company is concluded to be equal to cost.

*Includes ₹ 12.27 crore (As at March 31, 2020 ₹ 12.27 crore) towards adjustment on account of fair value of financial guarantees issued to subsidiaries and step down subsidiaries, as applicable.

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NOTE 9 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current trade receivables - Unsecured		
(a) Considered good	209.01	26.95
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	0.41
	209.01	**27.36**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	26.88	8.46
	182.13	**18.90**

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). Refer Note 51.9

₹ in Crore

Particulars	Amount
Balance as at March 31, 2019	**0.80**
Add: Created during the year	8.05
Less: Released during the year	0.39
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**

NOTE 10 - LOANS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits, Secured		
(a) Considered good	13.24	10.95
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	0.76	0.76
	14.00	**11.71**
Less: Allowance for bad and doubtful security deposits*	0.76	0.76
	13.24	**10.95**

*Movement in the allowance for bad and doubtful deposits (expected credit loss allowance) - Refer Note 51.9.

₹ in Crore

Particulars	Amount
Balance as at March 31, 2019	**0.76**
Add: Created during the year	-
Less: Released during the year	-
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**

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NOTE 11 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Amount withheld by customers		
(a) Considered good	-	-
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	10.32	17.61
	10.32	**17.61**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	10.32	17.61
	-	**-**

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) - Refer Note 51.9.

₹ in Crore

Particulars	Amount
Balance as at March 31, 2019	**12.85**
Add: Created during the year	5.83
Less: Released during the year	1.07
Balance as at March 31, 2020	**17.61**
Add: Created during the year	-
Less: Released during the year	7.29
Balance as at March 31, 2021	**10.32**

NOTE 12 - NON-CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax payments less provisions	168.51	155.81
	168.51	**155.81**

NOTE 13 - OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Capital advances	**10.55**	**9.90**
(b) Others		
- Excise duty recoverable from Government authorities	24.45	24.45
- VAT Credit / WCT / Service Tax Receivable	131.87	83.21
- GST Receivable	76.99	-
- Prepaid expenses	13.53	13.31
- Export benefits	37.41	47.61
- Sales tax/ excise duty/ service tax/entry tax, etc. paid under protest	16.24	15.83
	300.49	**184.41**
	311.04	**194.31**

NOTES

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NOTE 14 - INVENTORIES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Inventories (lower of cost and net realisable value)		
(a) Raw materials		
(i) in stock	413.47	346.82
(ii) in-transit	1.33	1.25
	414.80	**348.07**
(b) Work-in-progress (Refer Note 14.1)	37.28	56.58
(c) Finished goods	183.22	160.34
(d) Stores and spares	25.56	22.50
(e) Scrap	19.69	9.67
	680.55	**597.16**

Note 14.1 Details of inventory of work-in-progress :

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Towers and structurals	5.35	25.40
Cables	31.93	31.18
	37.28	**56.58**

NOTE 15 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables - Unsecured (Refer Note 15.1, 15.2 and 51.9)		
(a) Considered good	5,270.04	5,266.34
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	-
	5,270.04	**5,266.34**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	58.27	42.93
	5,211.77	**5,223.41**

***Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) (Refer Note 51.9)**

₹ in Crore

Particulars	Amount
Balance as at March 31, 2019	**34.21**
Add: Created during the year	13.24
Less: Released during the year	4.52
Balance as at March 31, 2020	**42.93**
Add: Created during the year	18.56
Less: Released during the year	3.22
Balance as at March 31, 2021	**58.27**

Note 15.1 Transfer of financial assets

During the current year, the Company has discounted trade receivables with an aggregate carrying amount of ₹ 173.71 crore with banks for cash proceeds of ₹ 171.65 crore. These arrangements are "non-recourse" to the Company and accordingly, the Company has derecognised these receivables as at March 31, 2021. Amount of interest charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 2.06 crore .

Further the Company has discounted certain trade receivables with the banks "with recourse" to the Company. The carrying amount of such receivables as at March 31, 2021 ₹ 64.14 crore (As at March 31, 2020 ₹ 322.47 crore) are recognised as trade receivables and corresponding carrying amount of associated liabilities of ₹ 64.14 crore (As at March 31, 2020 ₹ 269.88 crore) are recognised as secured borrowings (Note 29) and there are restriction on further selling and pledging of these receivables.

Note 15.2 Receivable from related party is ₹ 12.80 crore (As at March 31, 2020 ₹ 47.78 crore).

NOTES

forming part of the financial statements as at and for the year ended March 31, 2021

NOTE 16 - CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks		
(i) In current accounts	109.79	61.10
(ii) In deposit accounts	15.69	13.08
	125.48	**74.18**
(b) Cheques on hand	-	4.93
(c) Cash on hand	7.58	6.40
	133.06	**85.51**

NOTE 17 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Earmarked balances with banks - unpaid dividend accounts	2.70	3.20
(ii) Bank deposit with original maturity of more than 3 months but less than 12 months	0.09	0.09
(iii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments	45.53	6.63
(iv) Margin Money deposit with maturity less then 12 months	0.72	0.76
	49.04	**10.68**

NOTE 18 - LOANS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
(i) Loans to related parties - KEC Investment Holdings, Mauritius (wholly owned subsidiary)	3.83	39.40
(ii) Loans to related parties - KEC Global Mauritius (wholly owned subsidiary)	10.24	10.25
(iii) Loans to related parties - KEC TOWERS LLC (wholly owned subsidiary)	10.08	93.24
(iv) Loans to related parties - KEC Global FZ LLC (wholly owned subsidiary)	0.41	0.41
(v) Loans and advances to Joint operations (net of the Company's share)	36.14	30.59
(vi) Security deposits	34.36	52.53
	95.06	**226.42**

18.1 The Company has provided short term loans to wholly owned subsidiary for the purpose of providing loans to and/or making strategic investments in the step down subsidiaries. These loans are given at rates comparable to the average commercial rate of interest.

18.2 Loans and advances to Joint operations have been provided by the Company to meet the short term working capital requirements for execution of projects by the joint operations.

NOTES

forming part of the financial Statements as at and for the year ended March 31, 2021

18.3 Disclosure required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(i) Loans and advances in the nature of loans given to the wholly owned subsidiary.

₹ in Crore

Name of Subsidiary	Loans (interest bearing) outstanding	Maximum amount outstanding during the year
KEC Investment Holdings Mauritius		
As at March 31, 2021	3.83	38.85
As at March 31, 2020	39.40	39.40
KEC Global Mauritius		
As at March 31, 2021	10.24	10.24
As at March 31, 2020	10.25	30.82
KEC TOWERS LLC		
As at March 31, 2021	10.08	122.27
As at March 31, 2020	93.24	93.24
KEC Global FZ LLC		
As at March 31, 2021	0.41	0.41
As at March 31, 2020	0.41	0.41

NOTE 19 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Interest accrued on fixed deposits	0.36	0.03
(ii) Insurance claims	0.72	1.03
(iii) Mark to market gain on forward and commodity contracts (Refer Note 51.7 and Note 51.8)	14.60	2.82
(iv) Others	1.42	0.03
	17.10	**3.91**

NOTE 20 - CONTRACT ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Contractually reimbursable expenses	86.91	149.58
(ii) Amount due from customers for contract works	4,336.86	3,334.58
Less: Provision for expected loss on construction contracts (Refer Note 20.1)	3.52	2.83
Less: Allowance for contract assets (Refer Note 20.2)	5.09	-
	4,415.16	**3,481.33**

Note 20.1 Movement in Provision for expected loss on construction contracts

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**2.83**	**7.31**
Additions	1.66	4.65
Reversals	1.01	9.20
Effect of translation adjustment (gain) / loss	0.04	0.07
Closing balance	**3.52**	**2.83**

NOTES

forming part of the financial statements as at and for the year ended March 31, 2021

Note 20.2 Movement allowance on contract assets (expected credit loss allowance)

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**-**	**-**
Additions	5.09	-
Reversals	-	-
Closing balance	**5.09**	**-**

NOTE 21 - CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax payments less provisions	8.57	19.72
	8.57	**19.72**

NOTE 22 - OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to suppliers	154.70	153.68
Employee advances	7.55	7.20
Cenvat / Service tax input credit receivable	0.12	0.40
Amount due as refund of custom duty	3.70	3.70
Excise duty recoverable from Government authorities	1.26	1.26
VAT credit / WCT receivables	24.08	83.36
GST receivables	257.96	233.46
GST/Excise rebate receivable on exports	57.32	43.26
Prepaid expenses	86.91	103.81
Export benefits	31.92	78.44
Assets classified as held for sale (Refer Note 22.1)	3.11	2.45
	628.63	**711.02**

Note 22.1 - Details of assets classified as held for sale

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Leasehold Land at Jaipur [(Refer Note 22.1 (a)]	2.45	2.45
Leasehold Land at Raibareli [(Refer Note 22.1 (b)]	0.66	-
	3.11	**2.45**

(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, 2020 ₹ 9.41 crore) (Refer Note 34 (a). However, the title and possession of the land is yet to be transferred due to pending approvals from regulatory authorities.

(b) During the year company decided to sold land situated at Raibareli (Plot no. A09, A10 & A03). Accordingly all formalities of land situated at plot no. A09 & A10 has been completed and sales consideration of ₹ 3.00 crore and ₹ 5.18 crore respectively has been received. Accordingly profit on sale of land of ₹ 7.06 crore has been recognized in other income (Refer note no. 38). However land situated at plot no. A03 is still under negotiation and not yet finalize so company has transferred this land from fixed assets to assets held for sale for ₹ 0.66 crore.

The company expects to complete the formalities in next financial year.

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forming part of the financial Statements as at and for the year ended March 31, 2021

NOTE 23 - SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	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 1, 2019	**257,088,370**	**51.42**
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 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**

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, 2021		As at March 31, 2020	
		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	27,910,754	10.86
3	HDFC Trustee Company Limited	23,679,697	9.21	23,769,697	9.25
4	Instant Holdings Limited	22,207,827	8.64	22,014,759	8.56

* Shares held in multiple folios have been combined

Note 23.3 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 23.4 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.

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forming part of the financial statements as at and for the year ended March 31, 2021

NOTE 24- OTHER EQUITY

₹ in Crore

Particulars	Reserves & Surplus							Other Comprehensive Income			Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Statutory 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 April 1, 2019	**84.98**	**86.75**	**14.28**	**38.75**	**152.98**	**0.95**	**2,050.91**	**2.96**	**16.20**	**(5.84)**	**2,442.92**
Profit for the year	-	-	-	-	-	-	545.73	-	-	-	545.73
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(31.82)	17.91	0.87	(13.04)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**545.73**	**(31.82)**	**17.91**	**0.87**	**532.69**
Transactions with owners in their capacity as owner											
Dividends	-	-	-	-	-	-	(156.61)	-	-	-	(156.61)
Dividend distribution tax	-	-	-	-	-	-	(32.24)	-	-	-	(32.24)
Balance as at March 31, 2020	**84.98**	**86.75**	**14.28**	**38.75**	**152.98**	**0.95**	**2,407.79**	**(28.86)**	**34.11**	**(4.97)**	**2,786.76**
Balance as at April 1, 2020	**84.98**	**86.75**	**14.28**	**38.75**	**152.98**	**0.95**	**2,407.79**	**(28.86)**	**34.11**	**(4.97)**	**2,786.76**
Profit for the year	-	-	-	-	-	-	646.09	-	-	-	646.09
Other Comprehensive Income for the year	-	-	-	-	-	-	-	39.00	(5.35)	1.86	35.51
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**646.09**	**39.00**	**(5.35)**	**1.86**	**681.60**
Transactions with owners in their capacity as owner											
Dividends	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	(38.75)	38.75	-	-	-	-	-	-
Balance as at March 31, 2021	**84.98**	**86.75**	**14.28**	**-**	**191.73**	**0.95**	**3,053.88**	**10.14**	**28.76**	**(3.11)**	**3,468.37**

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) Securities premium is used to record the premium on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Note (c) 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 (d) Debentures redemption reserve is created towards redemption of debentures referred to in Note 25. Accumulated amount transferred to General reserves on account of repurchase of all outstanding debentures.

Note (e) 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 (f) 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.

Note (g) Retained earnings represents cumulative profit of the company . The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

Note (h) The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in accounting policy Note 3.21

Note (i) 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 3.7 and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the net investment 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.

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NOTE 25 -BORROWINGS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current:		
Measured at amortised cost :		
I Debentures		
Secured (Refer Note 25.1)	-	343.78
Less : Current maturities of long-term debt [Refer Note 32 (a)]	-	(206.27)
	-	**137.51**
II Term loans		
From banks		
Secured {Refer Note 25.2 (b)}	21.94	15.78
Less : Current maturities of long-term debt {Refer Note 32 (a)}	-	(15.78)
	21.94	**-**
Unsecured {Refer Note 25.2 (i)}	150.00	-
	171.94	**137.51**

Note 25.1 Debentures :

2,500, Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCD") of face value of ₹ 0.10 crore each aggregating ₹ 250 crore issued by the Company during the earlier year are secured by first charge on the immovable properties at Vadodara and Mysore and further secured by hypothecation of movable fixed assets of the Company situated at Mysore and Vadodara. 500 NCD ₹ 0.10 crore each aggregating ₹ 50 crore were repayable on December 20, 2021, 500 NCD ₹ 0.10 crore each aggregating ₹ 50 crore were repayable on April 20, 2021 and 1,500 NCD of ₹ 0.10 crore each aggregating ₹ 150 crore were repayable on April 20, 2020. Debentures are Zero Coupon with yield on maturity of 9.33% p.a. monthly compounded and payable at maturity (with a yield to maturity @ 9.74% p.a.). The debenture instalment due in April, 2020 was paid and balance instalments due in April, 2021 and December, 2021 was repurchased in June, 2020.

Note 25.2 Term loans from banks :

Secured :

(a) Nil (As at March 31, 2020 ₹ 15.78 crore) loan of a jointly controlled operation at Saudi Arabia, secured by irrevocable Corporate Guarantee from the Company. Repayment terms is 10 equal quarterly instalments starting from December 2018. The interest rate is 3.97% p.a. (previous year 4.86%)

(b) ₹ 21.94 crore (As at March 31, 2020 Nil) ECB loan from SBI. The loan is secured by first charge over construction Equipments (Both Present & Future) present at all projects site relating to its Transsmission, Railway and Civil bussiness in India. Repayment terms is three equal yearly instalments starting from August, 2025. The interest rates is 1.85% p.a.

Unsecured :

(i) ₹ 150 crore (As at March 31, 2020 Nil) unsecured Term loan from Axis Bank. Repayment terms is 2 equal half yearly instalments starting from September, 2023. The Fixed interest rates is 6.80% p.a.

NOTE 26 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Lease liabilities (Refer Note 50(i))	4.37	9.99
	4.37	**9.99**

NOTE 27 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current:		
Provision for employee benefits		
Gratuity, post employment benefits (Refer note 53)	8.58	12.20
	8.58	**12.20**

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forming part of the financial statements as at and for the year ended March 31, 2021

NOTE 28 - DEFERRED TAX LIABILITIES (NET)

28.1 Significant components of deferred tax liabilities (net) are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 1, 2020)	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Closing Balance (As at March 31, 2021)
Deferred tax (liabilities)/Assets recognised in P&L in relation to :				
Property, plant and equipment and intangible assets	(50.73)	7.45	-	(43.28)
Undistributed earnings of joint operations	(49.25)	7.31	-	(41.94)
Allowance for doubtful debts, loans and advances	17.25	7.84	-	25.09
Expenses debited to the Statement of Profit and Loss allowable in subsequent years	8.34	4.20	-	12.54
Provision for expected loss on construction contracts, etc.	0.07	(0.02)	-	0.05
Deferred tax on account of IND AS 116 - (Refer note 50)	0.22	0.43	-	0.65
Asset held for sale	0.82	-	-	0.82
Deferred tax (liabilities)/Assets recognised in P&L	**(73.28)**	**27.21**	**-**	**(46.07)**
Deferred tax (liabilities)/Assets in relation to OCI:				
Net (Gain) / Losses on Cash flow hedges	9.71	-	(13.11)	(3.40)
Exchange differences on translation of foreign joint operations	(7.85)	-	1.14	(6.71)
Remeasurement of defined benefit obligations	1.86	-	(0.61)	1.25
Deferred tax (liabilities)/Assets in relation to OCI	**3.72**	**-**	**(12.58)**	**(8.86)**
Deferred Tax (Liabilities)/Assets (net)	**(69.56)**	**27.21**	**(12.58)**	**(54.93)**

28.2 Significant components of deferred tax liabilities (net) as at March 31, 2020 are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 1, 2019)	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Closing Balance (As at March 31, 2020)
Deferred tax (liabilities)/Assets recognised in P&L in relation to :				
Deferred tax (liabilities) recognised in P&L in relation to :				
Property, plant and equipment and intangible assets	(72.85)	22.12	-	(50.73)
Undistributed earnings of joint operations	(66.95)	17.70	-	(49.25)
Mark to Market losses / (gain) on derivatives	(29.54)	29.54	-	-
Allowance for doubtful debts, loans and advances	16.57	0.68	-	17.25
Expenses debited to the Statement of Profit and Loss allowable in subsequent years	11.80	(4.00)	-	7.80
Provision for expected loss on construction contracts, etc.	0.55	(0.48)	-	0.07
Lease Depreciation , Interest and Rent expense	-	0.22	-	0.22
Asset held for sale	0.76	0.06	-	0.82
Others	-	0.54	-	0.54
Deferred tax (liabilities)/Assets recognised in P&L	**(139.66)**	**66.38**	**-**	**(73.28)**
Deferred tax (liabilities)/Assets in relation to OCI:				
Net (Gain) / Losses on Cash flow hedges	(1.57)	-	11.28	9.71
Exchange differences on translation of foreign joint operations	(5.16)	-	(2.69)	(7.85)
Remeasurement of defined benefit obligations	2.82	-	(0.96)	1.86
Deferred tax (liabilities)/Assets in relation to OCI	**(3.91)**	**-**	**7.63**	**3.72**
Deferred Tax (Liabilities)/Assets (net)	**(143.57)**	**66.38**	**7.63**	**(69.56)**

NOTES

forming part of the financial Statements as at and for the year ended March 31, 2021

NOTE 29 - BORROWINGS

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
I Loans repayable on demand		
From Banks		
Secured [Refer Note 29.1]	26.93	464.50
Unsecured [Refer Note 29.1]	100.00	-
II Other short term borrowings		
From Banks		
Secured [Refer Note 29.2 (a)]	766.27	1079.32
From Other Parties		
Secured [Refer Note 29.2 (b)(i)]	208.35	173.76
Unsecured [Refer Note 29.2 (b)(ii)]	497.57	98.79
	1,599.12	**1,816.37**

Note 29.1 Loans repayable on demand from banks :

Secured:

(i) ₹ 12.28 crore (As at March 31, 2020 ₹ 413.80 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 7.50% to 12.85% p.a.)

(ii) ₹ 1.85 crore (As at March 31, 2020 ₹ 5.61 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% p.a. to 7.90% p.a. (previous year rate ranges from 4.20% to 7.90%).

(iii) ₹ 12.80 crore (As at March 31, 2020 ₹ 45.09 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. (previous year 3.91% p.a. to 5.86% p.a.).

Unsecured:

i) ₹ 100 crore (As at March 31, 2020 ₹ NIL) Unsecured loan from Bank of India for General purpose and meeting the incremental business requirement for the Company.The interest rates is 6.60% p.a.

Note 29.2 Other short-term borrowings

(a) **From Banks-secured**

(i) ₹ 698.50 crore (As at March 31, 2020 ₹ 991.55 crore) secured by security stated against Note 29.1 (i) above. The interest rates are in the ranges from 0.50% to 3.50% p.a. (previous year ranges from 1.00% to 4.50% p.a.)

(ii) Nil (As at March 31, 2020 ₹ 41.68 crore) loan of 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 4.54% to 5.86 % p.a. (previous year ranges from 4.54% to 4.87% p.a.)

(iii) ₹ 67.77 crore (As at March 31, 2020 ₹ 46.09) loan consist of ₹ 45.61 crore secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 2.95% to 3.20 % p.a. (previous year interest rate ranges between 4.54% to 5.68%)

(b) **From Other Parties**

Secured:

(i) ₹ 208.35 crore (As at March 31, 2020 ₹ 173.76 crore) secured by security stated against Note 29.1 (i) above. The interest rates are in the ranges from 3.50% to 3.75% p.a. (previous year ranges from 3.50% to 5.30% p.a.)

Unsecured:

(ii) ₹ 497.57 crore (As at March 31, 2020 ₹ 98.79 crore) being listed commercial papers issued on standalone basis. Said Commercial papers carries interest rate ranges between 4.50% p.a. to 5.05% p.a. (previous year 7.15% p.a.)

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NOTE 30 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Lease liabilities (Refer Note 50 (i))	9.20	14.02
	9.20	**14.02**

NOTE 31 - TRADE PAYABLES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
(i) Total outstanding dues of micro and small enterprises (Refer note 31.1)	129.29	137.20
(ii) Total outstanding dues of creditors other than micro and small enterprises	4,192.92	3,487.90
(iii) Acceptances	1,523.47	1,110.94
	5,845.68	**4,736.04**

Note 31.1: Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the company.

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	114.41	127.30
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	1.35	1.65
(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.	13.53	6.64
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	4.98	5.14
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	14.88	9.90

NOTE 32 - OTHER FINANCIAL LIABILITIES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Current maturities of long term-debts (Refer Note 25)	-	222.05
(b) Interest accrued but not due on borrowings	2.10	4.77
(c) Unpaid / unclaimed dividends #	2.70	3.20
(d) Other payables		
- Interest accrued on acceptances and customer advance	0.39	0.37
- Payable towards purchase of property, plant and equipment	5.27	1.26
- Mark to market loss on forward contracts (Refer note 51.7 and note 51.8)	-	38.81
- Directors' commission	9.38	6.37
	15.04	**46.81**
	19.84	**276.83**

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.

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NOTE 33 - CONTRACT LIABILITIES

₹ in Crore

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Amount due to customers for contract works	670.00	760.30
(ii)	Advance from customer	1,288.77	1,286.25
(iii)	Interest on customer advance	8.23	8.59
		1,967.00	**2,055.14**

NOTE 34 - OTHER CURRENT LIABILITIES

₹ in Crore

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	Advances against assets classified as held for sale (Refer Note 22.1)	**9.41**	**9.41**
(b)	Other payables		
	- Statutory remittances (contribution to PF and ESIC, withholding tax, Excise Duty, VAT, TDS, GST, Service Tax, etc.)	60.97	49.14
	- Liability towards Corporate Social Responsibility (Refer note 58)	4.27	-
	- Others	0.16	-
		65.40	**49.14**
		74.81	**58.55**

NOTE 35 - PROVISIONS

₹ in Crore

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	**Provision for employee benefits**		
	- Compensated absences (Refer Note 53)	34.71	25.76
	- Gratuity, post employment benefits (Refer Note 53)	0.82	0.86
		35.53	**26.62**
(b)	**Provision - others :**		
	- Provision for litigation claims (Refer Note 35.1 and Note 35.2)	21.02	25.58
		21.02	**25.58**
		56.55	**52.20**

Note: 35.1

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, 2021	As at March 31, 2020
Opening balance	**25.58**	**21.60**
Additions	6.36	9.92
Reversals	10.92	5.94
Closing balance	**21.02**	**25.58**

Note: 35.2

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 relates to various cases of Income Tax, Indirect taxes and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.

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NOTE 36 - CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax liabilities less payments	115.68	43.55
	115.68	**43.55**

NOTE 37 - REVENUE FROM OPERATIONS

₹ in Crore

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Sale of products (Refer Note 49)		
	- Towers and structurals	222.08	374.79
	- Cables	764.73	753.67
		986.81	**1,128.46**
(b)	Construction contracts revenue (Refer Note 49)		
	- Transmission and distribution	6,048.71	6,082.32
	- Other EPC	4,691.98	3,058.71
		10,740.69	**9,141.03**
(c)	Sale of services (Refer Note 49)		
	- Tower testing and design revenue	19.60	19.21
	- Operating and Maintenance revenue	6.34	5.88
		25.94	**25.09**
(d)	Other operating revenue		
	- Scrap sales	94.86	89.50
	- Others	3.49	86.54
		98.35	**176.04**
		11,851.79	**10,470.62**

NOTE 38 - OTHER INCOME

₹ in Crore

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Interest income earned on financial assets that are not designated at fair value through profit or loss:		
	(i) Bank deposits (at amortised cost)	0.42	1.36
	(ii) Other financial assets carried at amortised cost	3.87	4.30
		4.29	**5.66**
(b)	Interest income earned on other assets		
	(i) Excise and VAT refund	0.07	1.73
	(ii) Income tax refund	0.30	0.04
		0.37	**1.77**
(c)	Government Grant *	-	0.79
(d)	Other non-operating income:		
	- Guarantee charges	4.77	1.74
	- Profit on sale of property, plant and equipment **	8.02	0.06
	- Miscellaneous income	10.57	3.85
		23.36	**5.65**
		28.02	**13.87**

Note:

* Government grant are related to asset acquired under EPCG scheme. There are no unfulfilled conditions and other contingencies attached to this grant.

** Includes ₹ 7.05 crore as profit on sale of land [(Refer note 22.1 (b)]

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NOTE 39 - COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of materials consumed (including project bought outs)	4,845.99	4,776.64
	4,845.99	**4,776.64**

NOTE 40 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock		
Finished goods	160.34	112.16
Work-in-progress	56.58	33.32
	216.92	**145.48**
Less: Closing stock		
Finished goods	183.22	160.34
Work-in-progress	37.28	56.58
	220.50	**216.92**
	(3.58)	**(71.44)**

NOTE 41 - ERECTION AND SUB-CONTRACTING EXPENSES

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Erection / construction materials consumed	1,032.54	526.44
Stores consumed	40.46	31.58
Sub-contracting expenses	2,393.70	1,930.42
Power, fuel and water charges	28.10	30.08
Construction transport	102.41	82.94
Others	293.69	221.07
	3,890.90	**2,822.53**

NOTE 42 - EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	687.55	671.35
Contribution to provident fund and other funds	45.61	39.16
Staff welfare expenses	34.21	32.18
	767.37	**742.69**

NOTE 43 - FINANCE COSTS

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense for financial liabilities not classified at FVTPL (including yield on debentures)	236.06	272.93
Other borrowing costs (processing fees, etc.)	5.29	4.03
	241.35	**276.96**

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NOTE 44 - DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (Refer Note 5)	81.91	77.87
Depreciation on Right of Use Assets (Refer Note 6)	13.93	13.43
Amortisation of intangible assets (Refer Note 7)	25.94	26.39
	121.78	**117.69**

NOTE 45 - OTHER EXPENSES

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Tools, non-erection stores and maintenance spares	14.84	17.16
Power and fuel	36.19	43.49
Rent	36.58	32.11
Rates and taxes, excluding taxes on income (net)	57.52	53.58
Insurance	84.77	79.17
Bank (guarantee, letter of credit and other) charges	91.76	91.60
Commission	58.51	78.76
Freight and forwarding (net)	287.39	337.54
Repairs to buildings	1.41	1.79
Repairs to plant and equipment	9.10	8.21
Repairs to other property, plant and equipment	11.28	13.00
Travelling and conveyance	64.73	96.56
Payment to statutory auditors (net of GST input credit, where applicable)*		
- as auditors (for audit of financial statements and limited reviews)	1.17	1.17
- for tax audit	0.08	0.08
- for certification work	1.71	1.14
- for reimbursement of expenses	0.02	0.13
	2.98	**2.52**
Professional fees	109.70	98.16
Bad debts, loans and advances written off	51.48	32.51
Less: Adjusted against allowance for bad and doubtful debts, loans and advances	(9.05)	(4.91)
	42.43	**27.60**
Allowance for bad and doubtful debts, loans and advances (net)	40.62	26.04
Directors' fees	0.61	0.49
Loss on property, plant and equipment discarded	0.86	0.50
Net (gain)/loss on foreign currency transactions (Refer Note 45.2)	(14.81)	(122.05)
Corporate Social Responsibility (Refer Note 58)	11.81	8.37
Miscellaneous expenses (Refer Note 45.1)	171.10	179.54
	1,119.38	**1,074.14**

Note - 45.1 :

Miscellaneous expenses shown above include fees of ₹ 1.98 crore (Previous Year ₹ 1.73 crore) paid to branch auditors, fees of ₹ 0.29 crore for auditors of joint operations (Previous year of ₹ 0.22 crore) and fees of ₹ 0.07 crore (Previous year ₹ 0.07 crore) paid to the cost auditors.

Note - 45.2 :

Net gain on foreign currency transactions includes gain on derivative instruments ₹ 1.20 crore (Previous year gain ₹ 2.82 crore)

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NOTE 46 - INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of the current year	273.61	237.70
In respect of prior years	4.13	28.23
	277.74	**265.93**
Deferred tax		
In respect of the current year	(27.21)	(66.38)
	(27.21)	**(66.38)**
Total income tax expense recognised in the Statement of Profit and Loss	**250.53**	**199.55**

Note 46.1: The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Statement of Profit and Loss is as follows:

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax from continuing operations	896.62	745.28
Indian Statutory income tax rate	25.17%	25.17%
Income tax expense	225.68	187.59
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	4.04	2.03
Corporate social responsibility expenditure	1.97	1.05
Donation	1.38	0.12
Tax effect of amounts taxable at lower tax rates/ different tax rates	6.14	1.25
Foreign Tax credit not available	7.19	2.88
Reduction in Tax Rate	-	(23.60)
	246.40	**171.32**
Adjustments recognised in the current year in relation to the current tax of prior years	4.13	28.23
Income tax expense in Statement of Profit and Loss	**250.53**	**199.55**

(i) The tax rate used for the financial years 2020-21 and 2019-20 reconciliations above is the corporate tax rate of 25.17 % and 25.17% respectively payable by the corporate entities in India on taxable profits under the Indian tax law.

(ii) The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act. 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has created provision for current year and remeasured its Deferred Tax Liability basis the rate prescribed in this section. The impact of this change as recognised in the Statement of Profit and Loss is Nil (Previous year ₹ 22.75 crore) and in Other Comprehensive Income is Nil (Previous year ₹ 0.86 crore).

Note 46.2: Income tax recognised in other comprehensive income

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
- Translation of foreign joint operations	1.14	(2.69)
- Net gain on designated portion of hedging instruments	(13.11)	11.28
- Remeasurement of defined obligations	(0.61)	(0.96)
Total income tax recognised in other comprehensive income	**(12.58)**	**7.63**
Bifurcation of the income tax recognised in other comprehensive income into:		
- Items that will not be reclassified to profit or loss	(0.61)	(0.96)
- Items that will be reclassified to profit or loss	(11.97)	8.59
	(12.58)	**7.63**

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NOTE 47 - EARNINGS PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	(₹ Per Share)	(₹ Per Share)
(a) Basic earnings per share	25.13	21.23
(b) Diluted earnings per share	25.13	21.23

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, 2021	For the year ended March 31, 2020
Profit for the year attributable to the equity share holders of the Company	646.09	545.73
Earnings used in the calculation of basic/ diluted earnings per share	646.09	545.73

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Weighted average number of equity shares for the purposes of basic / diluted earnings per share	257,088,370	257,088,370

NOTE 48 - JOINT OPERATIONS

Details of the Company's Joint Operations are as under:

Particulars	Ownership Interest As at March 31, 2021	Ownership Interest As at March 31, 2020
a) Joint Operations		
i Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer Note 48 (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 – DUSTAN 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 – KEIL 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) KOCHI METRO	74.00%	74.00%
xxii KEC – CCECC JV (CIVIL) KOCHI METRO	74.00%	74.00%
xxiii CCECC – KEC JV (CIVIL) DELHI METRO	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%	-

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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 "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 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 Company accounts for assets, liabilities, revenue and expenses relating to its interest in joint 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 Company has recognised its share in total income from operations ₹ 1,129.84 crore (for the year ended March 31, 2020 ₹ 486.60 crore), total expenditure (including tax) ₹ 1103.17 crore (for the year ended March 31, 2020 ₹ 480.32 crore), total assets as at March 31, 2021 ₹ 987.25 crore (as at March 31, 2020 ₹ 909.60 crore) and total liabilities as at March 31, 2021 ₹ 821.78 crore (as at March 31, 2020 ₹ 720.57 crore) in Jointly Controlled Operations.

iii) The company has entered into certain Joint Venture (JV) agreements for execution of various projects. Though the legal form of all these agreements is a "joint venture", these JVs are not jointly controlled by both the parties as per 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 company has recognised revenue and expenses related to it's own share of work in standalone financials and these JVs financials are not considered for the purpose of consolidation.

NOTE 49 - REVENUE FROM CONTRACTS WITH CUSTOMERS

49.1 Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Company derives revenue from the transfer of goods and services over time in the following major product lines and geographical regions:

₹ in Crore

As on March 31, 2021	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Total
Segment revenue							
- India	2,342.54	3,388.86	1,078.38	921.10	127.61	52.88	7,911.37
- UAE	622.48	-	-	4.93	-	-	627.41
- Brazil, Mexico & USA	2.96	-	-	-	-	-	2.96
- Geographies other than above	3,352.58	-	-	119.07	20.21	-	3,491.86
Inter-segment (SBU) revenue							
- India	0.13	4.33	3.65	257.73	-	-	265.84
- UAE	-						-
- Brazil, Mexico & USA	-	-	-	-	-	-	-
- Geographies other than above	14.32	-	-	-	-	-	14.32
Revenue from external customers	**6,306.11**	**3,384.53**	**1,074.73**	**787.37**	**147.82**	**52.88**	**11,753.44**
Timing of revenue recognition							
- At a point in time	238.76	-	2.57	764.73	6.69	-	1,012.75
- Over time	6,067.35	3,384.53	1,072.16	22.64	141.13	52.88	10,740.69
	6,306.11	**3,384.53**	**1,074.73**	**787.37**	**147.82**	**52.88**	**11,753.44**

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₹ in Crore

As on March 31, 2020	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Total
Segment revenue							
- India	2,129.64	2,544.67	375.99	863.88	57.03	69.15	6,040.36
- UAE	651.58	-	-	17.78	-	-	669.36
- Brazil, Mexico & USA	11.14	-	-	-	-	-	11.14
- Geographies other than above	3,795.58	-	-	83.03	-	-	3,878.61
Inter-segment (SBU) revenue							
- India	1.47	-	-	157.17	-	-	158.64
- UAE	-	-	-	-	-	-	-
- Brazil, Mexico & USA	-	-	-	-	-	-	-
- Geographies other than above	146.25	-	-	-	-	-	146.25
Revenue from external customers	**6,440.22**	**2,544.67**	**375.99**	**807.52**	**57.03**	**69.15**	**10,294.58**
Timing of revenue recognition							
- At a point in time	394.08	-	3.00	753.67	2.88	-	1,153.63
- Over time	6,046.14	2,544.67	372.99	53.85	54.15	69.15	9,140.95
	6,440.22	**2,544.67**	**375.99**	**807.52**	**57.03**	**69.15**	**10,294.58**

The Company recognised revenue amounting to ₹ 317.48 crore (for the year ended March 31, 2020, ₹ 297.14 crore) in the current reporting period that was included in the contract liability balance as of March 31, 2020.

49.2 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, 2021 is ₹ 17,685 crore (for the year ended March 31, 2020, ₹ 19,451 crore). On an average, transmission, distribution and railway 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, 2021 will be recognised as revenue during next reporting period depending upon the progress on each contracts.

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.

49.3 There are no reconciliation items of revenue recognised from contracts with customers and contract price.

49.4 In case of transmission and distribution projects, where the goods are procured from a third party, the Company makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Company 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 50 - LEASES

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) The Balance sheet shows the following amounts relating to leases:		
Right of use assets (Refer Note 6)		
Buildings	9.21	17.74
Plant & Machinery	1.72	3.10
Vehicles	0.63	1.46
Computer	-	-
Land	0.09	0.35
	11.65	**22.65**
Lease liabilities		
Current (Refer Note 30)	9.20	14.02
Non-current (Refer Note 26)	4.37	9.99
	13.57	**24.01**

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₹ in Crore

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
(ii)	Amounts recognised in statement of profit and loss		
	Depreciation charge on Right of use assets (Refer Note 6)		
	Buildings	11.65	12.92
	Plant & Machinery	1.38	0.15
	Vehicles	0.64	0.17
	Computer	-	-
	Land	0.26	0.19
		13.93	**13.43**
(iii)	Interest expense included in finance cost	1.46	2.01
(iv)	Expense relating to short-term leases (included in other expenses)	36.77	32.11
(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	0.03	0.02
(v)	Amount recognised in profit and loss arising from rent concessions (refer note 50.1)	(0.03)	-

Total cash outflow for leases during current financial year is ₹ 14.34 crore.

Additions to the right to use assets during the current financial year is ₹ 4.74 crore.

There are no sale and leaseback transactions.

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.

Short term leases are leases with a lease of 12 months or less. There are no low value assets during the current year.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate.

The weighted average incremental borrowing rate applied is 8.75%.

Note 50.1

The Company 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 NO 51 - FINANCIAL INSTRUMENTS

51.1 Capital Management

The Company manages its capital to ensure that the Company 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 Company consists of net debt (borrowings as detailed in Notes 25 and 29 offset by cash and bank balances in Notes 16 and 17) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company 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, 2021	As at March 31, 2020
Debt*	A	1,773.16	2,180.70
Cash and bank balances	B	182.10	96.19
Net debt (C)	C=A-B	1,591.06	2,084.51
Total equity	D	3,519.79	2,838.18
Net debt to equity ratio (E)	**E=C/D**	**0.45**	**0.73**

★ Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in Notes 25 and 29 and includes interest accrued but not due on borrowings.

51.2 Categories of financial instruments

₹ in Crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Non-current investment						
- Investment in equity instruments	-	★	-	-	★	-
Trade receivables #	-	-	5,393.90	-	-	5,242.31
Cash and bank balances	-	-	182.10	-	-	96.19
Loans	-	-	108.30	-	-	237.37
Other financial assets						
- Derivative instruments						
i) Forward exchange contracts	1.20	11.70	-	2.82	-	-
ii) Over the counter (OTC) commodity derivative contracts	-	1.70	-	-	-	-
- Others	-	-	2.50	-	-	1.09
Financial liabilities						
Borrowings	-	-	1,773.16	-	-	2,180.70
Trade payables	-	-	5,845.68	-	-	4,736.04
Other financial liabilities						
- Derivative instruments						
i) Forward exchange contracts**	-	-	-	-	4.63	-
ii) Over the counter (OTC) commodity derivative contracts	-	-	-	-	34.18	-
- Others	-	-	31.31	-	-	35.21

* less than rounding off norms adopted by the Company

Trade receivable pledged as collateral for borrowings - Refer Notes 25 and 29

**Includes impairment loss on MTM on forward contract amounting to ₹ 0.09 crore

' FVPL - Fair Value Through Profit or Loss

' FVOCI - Fair Value Through Other Comprehensive Income

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51.3 Financial risk management objectives

The Company'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 Company. These risks include market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

The Company 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 Company 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 Company 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.

51.4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see Notes 51.5 and 51.10 below) and commodity price (see Note 51.8 below). The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- forward foreign exchange 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 .

51.5 Foreign currency risk management

The Company 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 Company's functional currency (₹). 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 ₹ cash flows.

Following is the foreign currency exposure of the Company:

₹ in Crore

Particulars	USD	EUR	AED	Others	Total
As at March 31, 2021					
Assets	1,973.44	591.96	413.86	1,287.33	4,266.59
Liabilities	(1,649.56)	(87.08)	(237.32)	(604.00)	(2,577.97)
As at March 31, 2020					
Assets	1,496.29	516.03	317.83	975.91	3,306.06
Liabilities	(1,580.51)	(326.66)	(316.31)	(503.02)	(2,726.51)

51.6 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 jointly controlled operations and forward contracts denominated in hedge relationship.

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5% appreciation / depreciation in the functional currency of the Company, 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: For the year ended March 31, 2021	Impact on profit before tax: For the year ended March 31, 2020	Impact on equity: As at March 31, 2021	Impact on equity: As at March 31, 2020
USD	+5%	(17.27)	2.01	1.07	2.20
	-5%	17.27	(2.01)	(1.07)	(2.20)
EUR	+5%	(25.27)	(9.50)	0.03	0.03
	-5%	25.27	9.50	(0.03)	(0.03)
AED	+5%	(8.83)	(2.30)	-	2.22
	-5%	8.83	2.30	-	(2.22)
Others	+5%	(23.39)	(10.08)	(10.77)	(13.56)
	-5%	23.39	10.08	10.77	13.56

51.7 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 Company mainly uses forward contracts to manage the foreign currency risk.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

Outstanding contracts	Foreign currency (FC in Crore) As at March 31, 2021	Foreign currency (FC in Crore) As at March 31, 2020	Nominal amounts (₹ in Crore) As at March 31, 2021	Nominal amounts (₹ in Crore) As at March 31, 2020	Change in fair value assets / (liabilities) (₹ in Crore) As at March 31, 2021	Change in fair value assets / (liabilities) (₹ in Crore) As at March 31, 2020
Buy USD/INR						
Less than 3 months	0.42	0.20	31.09	14.45	0.02	0.52
Sell USD/INR						
Less than 3 Months	-	0.94	-	68.44	-	(3.42)
3 to 6 months	1.76	-	131.73	-	(0.36)	-
More than 6 Months	3.76	3.85	286.66	294.12	0.86	(2.29)
Sell EURO/ USD						
Less than 3 Months	0.27	1.10	22.78	94.06	(0.31)	3.03
3 to 6 months	2.05	-	177.28	-	0.46	-
More than 6 Months	2.55	1.84	222.73	156.69	2.68	3.46
Sell EURO/ INR						
Less than 3 Months	0.31	0.64	27.91	52.40	1.11	(0.67)
More than 6 Months	2.83	1.38	255.09	116.97	0.08	0.02
Buy USD/MYR						
3 to 6 months	1.29	-	22.46	-	(0.20)	-
More than 6 Months	-	1.29	-	23.56	-	1.10
Buy JPY/INR						
Less than 3 months	79.95	6.40	55.47	4.38	(2.34)	0.10
3 to 6 months	5.26	-	3.81	-	(0.27)	-
More than 6 Months	-	35.06	-	24.13	-	0.97
BUY JPY/USD						
Less than 3 months	54.11	-	36.83	-	(1.05)	-
3 to 6 months	57.82	-	39.99	-	(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	-
Total					**1.20**	**2.82**

The line-items in the balance sheet that include the above instruments are “Other financial assets”.

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For the year ended March 31, 2021, the aggregate amount of realised gain under forward foreign exchange contracts recognised in the Statement of Profit and Loss is ₹ 11.96 Crore (for the year ended March 31, 2020: ₹ 90.95 Crore).

In respect of the Company's foreign currency forward contract (buy), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate loss of ₹ 1.58 crore / ₹ 4.59 crore and gain / (loss) of ₹ 3.85 crore / (₹ 0.66 crore) for the year ended March 31, 2021 and the year ended March 31, 2020 respectively, in the Company's Statement of Profit and Loss.

In respect of the Company'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 (₹ 51.48 crore) / ₹ 59.70 crore and (loss) /gain of (₹ 37.36 crore) / ₹ 38.34 crore for the year ended March 31, 2021 and the year ended March 31, 2020 respectively, in the Company's Statement of Profit and Loss.

The Company has designated following forward contracts as cash flow hedges which arre 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sell USD/INR						
Less than 3 months	0.40	0.20	30.30	14.73	0.73	(0.52)
More than 6 Months	-	3.50	-	267.90	-	(5.33)
Sell EUR/INR						
Less than 3 months	1.19	-	108.97	-	5.66	-
More than 6 Months	1.49	0.80	139.21	70.30	5.31	1.32
Total					**11.70**	**(4.53)**

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, 2021	Foreign exchange risk	11.70	-	18.28	Revenue
March 31, 2020	Foreign exchange risk	(4.53)	-	(5.80)	Revenue

There is no ineffectiveness due to matching maturity profile of financial derivative contract and underlying transaction.

In respect of the Company'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 (₹ 1.71 crore) / ₹ 24.96 crore and (loss) /gain of (₹ 22.48 crore) / ₹ 13.28 crore for the year ended March 31, 2021 and for the year ended March 31, 2020, in the Company's Statement of Other Comprehensive Income.

51.8 Commodity price risk

The Company 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 Company either places a firm order on the supplier or hedges its exposure on the London Metal Exchange (LME) directly.

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Outstanding commodity contracts :

Cash flow hedges		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, 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)
As at March 31, 2020	Less than 3 months	2.03	0.74	0.34	0.16	144.09	52.45	24.00	11.11	(17.55)	(4.19)	(3.35)	0.08
	3 to 6 months	0.42	0.45	0.42	0.01	29.90	31.88	30.05	0.70	(1.37)	(3.96)	(3.87)	0.03

In respect of the Company's commodity derivative contracts, a 10% appreciation/depreciation of all commodity prices underlying such contracts, would have resulted in an approximate gain/(loss) of ₹ 10.62 crore / (₹ 7.16 crore) and an approximate gain/(loss) of ₹ 3.14 crore / (₹ 65.23 crore) in the Statement of other comprehensive income for the year ended March 31, 2021 and for the year ended March 31, 2020 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 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, 2021	Commodity price risk	1.84	(0.14)	73.33	Cost of goods sold
March 31, 2020	Commodity price risk	(34.04)	(0.14)	(24.15)	Cost of goods sold

51.9 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company 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 Company'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 Company evaluates the creditworthiness based on publicly available financial information and the Company's historical experiences. The Company'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 Company directly reduces the gross carrying amount of a financial asset when the Company 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 Company 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 Company also considers the other financial and non-financial assets and liabilities recognized within the same project to provide additional indications on the Company's exposure to credit risk. As such, in addition to the age of its Financial Assets, the Company 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 Company 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 No. 9, 10, 11 and 15 for ECL provisioning and its movement on financial assets carried at amortised cost.

Concentration risk: As at the year ending March 31, 2021, two customers are exceeding 10% of the Company's total trade receivables, which was nil as at March 31, 2020. However, these customers do not contribute to more than 10% of the revenue of the Company.

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In addition the Company is exposed to credit risk in relation to financial guarantees given by the Company on behalf of its subsidiaries and joint operations (net of Company's share). The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (net of Company's share in joint operations), as at March 31, 2021 ₹ 857.04 crore (as at March 31, 2020; ₹ 468.04 crore). These financial guarantees have been issued to the banks / customers on behalf of the subsidiaries and joint operations under the agreements entered into by the subsidiaries/ Joint operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Company considers the likelihood of any claim under the guarantee is remote.

Cash and cash equivalents:
As at the year end, the Company held cash and cash equivalents of ₹ 133.06 crore (March 31, 2020 ₹ 85.51 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.

51.10 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, 2021	As at March 31, 2020
Variable rate borrowing (including interest bearing acceptances)	2,347.68	2,372.85
Fixed rate borrowing	946.85	914.02
Total borrowings	**3,294.53**	**3,286.87**

51.11 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 Company's :

Profit for the year ended March 31, 2021 would decrease/increase by ₹ 11.74 Crore (for the year ended March 31, 2020: decrease/ increase by ₹ 11.86 Crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

During the year, the Company's sensitivity in interest rate has decreased due to decreased in variable debt instruments compared to last year.

51.12 Liquidity risk management

The Board of Directors of the Company have established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company 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 Company'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 Company 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 Company may be required to pay.

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₹ in Crore

Particulars	Less than 1 year	1-3 Years	3-5 Years	Total	Carrying Amount
As at March 31, 2021					
Interest bearing liabilities	2,974.64	297.96	21.94	3,294.54	3,294.54
Lease liabilities	4.37	8.91	0.29	13.57	13.57
Trade payables	4,322.21	-	-	4,322.21	4,322.21
Other financial liabilities	19.84	-	-	19.84	19.84
Total	**7,321.06**	**306.87**	**22.23**	**7,650.16**	**7,650.16**
As at March 31, 2020					
Interest bearing liabilities	2,989.03	297.84	-	3,286.87	3,286.87
Lease liabilities	14.02	9.60	0.39	24.01	24.01
Trade payables	3,625.10	-	-	3,625.10	3,625.10
Other financial liabilities	54.78	-	-	54.78	54.78
Total	**6,682.94**	**307.44**	**0.39**	**6,990.76**	**6,990.76**

The Company 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 ₹ 8,387.62 crore as at March 31, 2021 (₹ 7,071.51 crore as at March 31, 2020).

51.13 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities. Fair value of the Company's financial assets and financial liabilities are measured on a recurring basis.

Some of the Company'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 March 31, 2021	Fair values as at March 31, 2020	Fair value hierarchy	Valuation technique(s) and key input(s)
1) Foreign currency forward contracts not designated in hedge accounting relationships	Asset - ₹ 1.20	Asset - ₹ 2.82	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a ₹ funding rate.
2) Derivative instruments (Derivative instruments in designated hedge accounting relationships (Hedges of Highly Forecasted Sales using foreign currency forward contracts)	Asset - ₹ 11.70	Liability - ₹ 4.53	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a ₹ funding rate.
3) Derivative instruments (Derivative instruments in designated hedge accounting relationships (Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts)	Asset - ₹ 1.70	Liability - ₹ 34.18	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.

NOTE 52 - RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue expenses charged to Statement of Profit and Loss (including depreciation on Property, plant and equipment)	23.93	28.33
Expenditure capitalised during the year	-	-

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NOTE 53 - 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 Company makes yearly contributions until retirement or resignation of the employee. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

(B) Provident Fund

The Company makes contribution to respective regional provident fund commissioners in relation to the workers employed at factories located at Butibori, Jaipur, Jabalpur, Mysore and Vadodara. 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 Joint Ventures

The Company & it's joint venture in India 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

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

In respect of the plan in India and jointly controlled operation in Saudi, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 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.

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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. Currently, for the plan in India, it has a relatively balanced mix of investments in Insurance related products.
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 Company has recognised following amounts in the statement of profit and loss:

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Superannuation Fund	1.01	1.03
Provident Fund	4.00	3.26

Details of defined benefit plans

(A) Gratuity

₹ in Crore

		Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
I		**Components of defined benefit cost**		
	1	Current service cost	7.05	6.69
	2	Interest cost on benefit obligation (Net)	0.22	0.26
	A	**Total expenses included in Statement of Profit and Loss (P&L)**	**7.27**	**6.95**
	3	Actuarial changes arising from changes in demographic assumptions	-	(0.27)
	4	Actuarial changes arising from changes in financial assumptions	1.39	1.33
	5	Actuarial changes arising from changes in experience assumptions	(3.41)	(0.76)
	6	Return on Plan Assets (excluding interest income)	(0.43)	(2.13)
	B	**Total recognized in Other Comprehensive Income (OCI)**	**(2.45)**	**(1.83)**
	C	**Total defined benefit cost recognized in P&L and OCI**	**4.82**	**5.12**
II		**Actual Contribution and Benefits Payments for the year**		
	1	Actual Benefits Payments	(4.99)	(5.62)
	2	Actual Contributions	8.23	4.01
III		**Net asset/(liability) recognized in the Balance Sheet**		
	1	Present Value of Defined Benefit Obligations	56.43	53.32
	2	Fair Value of Plan Assets	48.15	41.63
	3	Exchange fluctuation on account of conversion of Jointly Controlled operation	1.12	1.37
	4	Net asset / (liability) recognized in the Balance Sheet	(9.40)	(13.06)
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	53.32	48.96
	2	Current Service Cost	7.05	6.69
	3	Interest Cost	3.07	2.99
	4	Benefits paid	(4.99)	(5.62)
	5	Actuarial changes arising from changes in demographic assumptions	-	(0.27)
	6	Actuarial changes arising from changes in financial assumptions	1.39	1.33
	7	Actuarial changes arising from changes in experience assumptions	(3.41)	(0.76)
	8	Present Value of Defined Benefit Obligations as at the end of the year	56.43	53.32

NOTES

forming part of the financial Statements as at and for the year ended March 31, 2021

₹ in Crore

	Particulars		As at March 31, 2021	As at March 31, 2020
V	**Change in Fair Value of Plan Assets during the year**			
1	Plan Assets as at the beginning of the year		41.63	38.37
2	Interest Income		2.85	2.72
3	Actual Company Contributions		8.23	4.01
4	Benefits paid		(4.99)	(5.62)
5	Expected return on Plan Assets (excluding interest income)		0.43	2.15
6	Plan Assets as at the end of the year		48.15	41.63
VI-A	**Actuarial Assumptions (Considered for the Company)**			
1	Discount Rate		6.40%	6.60%
2	Expected Return on plan assets		6.40%	6.60%
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 Joint Operation in Saudi)**			
1	Discount Rate		1.60%	3.00%
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 KEC CCECC JV)**			
1	Discount Rate	6.60%	6.60%	
2	Expected Return on plan assets	0.00%	0.00%	
3	Salary escalation Rate	6.00%	6.00%	
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	7.00%	
		31-44 years	7.00%	
		45 years and above	7.00%	
VI-D	**Actuarial Assumptions (Considered for KEC Longjian JV)**			
1	Discount Rate		7.30%	
2	Expected Return on plan assets		NA	
3	Salary escalation Rate		6.00%	
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	7.00%	
		31-44 years	7.00%	
		45 years and above	7.00%	
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		4.19%	4.16%
	Debt		44.92%	14.16%
	Money Market Investments		50.89%	68.34%
	Mutual Fund		-	13.34%
IX	**Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2021 ₹ 6.20 crore**			
X	**Weighed Average duration of the Plan**			
	Considered for the Company		6 years	6 years
	Considered for Joint Operation in Saudi		7 years	7 years
	Considered for JV - CCECC KEC		10 years	-
	Considered for JV - Longjian KEC		11 years	-

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forming part of the financial statements as at and for the year ended March 31, 2021

₹ in Crore

Particular	As at March 31, 2021	As at March 31, 2020
Maturity profile of defined benefit obligation		
Year 1	7.03	6.63
Year 2	11.62	9.69
Year 3	7.62	8.24
Year 4	8.05	8.07
Year 5	8.26	8.27
Next 5 years	41.49	40.11

₹ in Crore

	As at March 31, 2021	As at March 31, 2020
Financial assumptions sensitivity analysis		
A. Discount rate		
Discount rate - 50 basis points	59.22	56.29
Discount rate + 50 basis points	55.97	53.16
B. Salary increase rate		
Salary rate - 50 basis points	56.13	53.34
Salary rate + 50 basis points	58.98	56.09
Demographic assumptions sensitivity analysis		
C. Withdrawal Rate		
Withdrawal Rate - 100 basis points	58.08	55.31
Withdrawal Rate + 100 basis points	57.01	54.11

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.

XI The following table shows a breakdown of the defined benefit obligation and plan assets by company:

₹ in Crore

Description	As at March 31, 2021					As at March 31, 2020				
	Gratuity				Total	Gratuity				Total
	India	Saudi	CCECC	Longjian		India	Saudi	CCECC	Longjian	
(A) Present value of obligation	47.75	9.39	0.20	0.20	57.54	45.57	9.12	-	-	54.69
(B) Fair value of plan assets	48.15	-	-	-	48.15	41.63	-	-	-	41.63
(C) Total liability = (A) - (B)	**(0.40)**	**9.39**	**0.20**	**0.20**	**9.39**	**3.94**	**9.12**	**-**	**-**	**13.06**

(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

Particular	For the year ended March 31, 2021	For the year ended March 31, 2020
Company's contribution to the provident fund	7.54	7.00

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forming part of the financial Statements as at and for the year ended March 31, 2021

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

₹ in Crore

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Approach used	Deterministic	Deterministic
b.	Discount Rate	6.40%	6.60%
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	8.06%	7.15%
e.	Weighted Average YTM	8.06%	7.15%
f.	Reinvestment Period on Maturity	6 years	6 years
g.	Mortality Rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate

3 Short term employee benefits (Compensated Absences)

The short term employee benefits cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 34.71 crore (as at 31st March, 2020 ₹ 25.76 crore) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

NOTE 54 RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

(A) Name and nature of relationship of the parties where control exists

Subsidiaries	Country of Incorporation	% age of ownership interest either directly or through subsidiaries As at March 31, 2021	As at March 31, 2020
RPG Transmission Nigeria Limited	Nigeria	100	100
KEC Global FZ – LLC, Ras UL Khaimah	UAE	100	100
KEC Investment Holdings, Mauritius	Mauritius	100	100
KEC Global Mauritius	Mauritius	100	100
KEC Power India Private Limited	India	100	100
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 Transmissão Ltda	Brazil	100	100
SAE Prestadora de Services 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 Towers LLC (w.e.f. November 24, 2019)	UAE	100	100
KEC International (Malaysia) SDN BHD	Malaysia	100	100

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forming part of the financial statements as at and for the year ended March 31, 2021

(B) Details of related parties with whom transactions have taken place

Subsidiaries	Country of Incorporation	% age of ownership interest either directly or through subsidiaries As at March 31, 2021	As at March 31, 2020
RP Goenka Group of Companies Employees Welfare Association	India	49	49

Subsidiaries

KEC Power India Private Limited
KEC Global FZ-LLC, Ras UL Khaimah
RPG Transmission Nigeria Limited
SAE Towers Mexico S de RL de CV, Mexico
SAE Towers Brazil Torres de Transmissão Ltda
SAE Towers Holdings, LLC
KEC Towers LLC
KEC International (Malaysia) SDN BHD
KEC Investment Holdings, Mauritius
KEC Global, Mauritius

Key Management Personnel (KMP)

Mr. H. V. Goenka- Chairman
Mr. Vimal Kejriwal - Managing Director and CEO
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. Kulkarni - Non - Executive Director (upto July 27, 2019)
Mr. S. M. Trehan - Non - Executive Director
Ms. Manisha Girotra - Non - Executive Director (upto June 10, 2019)
Mr. Vinayak Chatterjee - Non - Executive Director (upto August 12, 2019)
Mr. Vikram Gandhi - Non - Executive Director (w.e.f. August 7, 2019)
Mr. M. S. Unnikrishnan - Non - Executive Director (w.e.f. November 8, 2019)

List of other related parties

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
Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)
Summit Securities Ltd (holds 10.93 percent Equity Shares of the Company)

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forming part of the financial Statements as at and for the year ended March 31, 2021

(B) Transactions with the Related Parties

₹ in Crore

Transactions	As at March 31, 2021						As at March 31, 2020				
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Sale of Products		**62.70**		**1.52**		**64.22**	**47.79**		**2.24**		**50.03**
SAE Towers Mexico S de RL de CV, Mexico							8.54				8.54
KEC International (Malaysia) SDN. BHD.		55.51				55.51	39.25				39.25
KEC Towers LLC		7.19				7.19					
CEAT Limited				0.74		0.74			2.21		2.21
CEAT Specialty Tyres Limited				0.62		0.62					
Raychem RPG Private limited				0.16		0.16			0.03		0.03
Sale under Turnkey Contracts				**6.33**		**6.33**			**33.59**		**33.59**
CEAT Limited				6.33		6.33			33.59		33.59
Services rendered		**4.31**		**0.38**		**4.69**	**3.67**		**0.23**		**3.90**
SAE Towers Mexico S de RL de CV, Mexico		2.96				2.96	2.60				2.60
KEC International (Malaysia) SDN. BHD.		1.35				1.35	1.07				1.07
CEAT Specialty Tyres Limited									0.02		0.02
CEAT Limited				0.12		0.12			0.07		0.07
RPG Life Sciences Limited				0.03		0.03			0.01		0.01
Swallow Associates LLP				0.02		0.02			0.02		0.02
Summit Securities Ltd.				0.05		0.05			0.05		0.05
RPG Enterprises Limited				0.16		0.16			0.06		0.06
Services received		**2.74**		**22.74**		**25.48**			**20.98**		**20.98**
SAE Towers Mexico S de RL de CV, Mexico		2.74				2.74					
CEAT Limited				5.95		5.95			6.06		6.06
RPG Enterprises Limited				16.77		16.77			14.92		14.92
Harrisons Malayalam Limited				0.02		0.02					
Guarantees charges recovered		**4.26**				**4.26**	**0.75**				**0.75**
KEC International (Malaysia) SDN. BHD.		4.14				4.14	0.75				0.75
KEC Towers LLC		0.12				0.12					

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forming part of the financial statements as at and for the year ended March 31, 2021

Transactions	As at March 31, 2021						As at March 31, 2020				
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Purchase of goods		**79.23**		**10.30**		**89.53**	**78.19**		**11.13**		**89.32**
Raychem RPG Private limited				10.30		10.30			10.96		10.96
CEAT Limited									0.17		0.17
KEC Towers LLC		79.23				79.23					
SAE Towers Mexico S de RL de CV, Mexico							78.19				78.19
Interest income		**3.80**				**3.80**	**3.45**				**3.45**
KEC Global FZ-LLC, Ras UL Khaimah		0.01				0.01	★				★
KEC Towers LLC		2.19				2.19	0.85				0.85
KEC Global, Mauritius		0.33				0.33	0.84				0.84
KEC Investment Holdings, Mauritius		1.18				1.18	1.76				1.76
KEC International (Malaysia) SDN. BHD.		0.09				0.09					
Rent & maintenance charges paid				**4.41**		**4.41**			**4.47**		**4.47**
Palacino Properties LLP				0.24		0.24			0.25		0.25
Spencer and Company Limited				4.14		4.14			4.14		4.14
Raychem RPG Private limited				0.03		0.03			0.08		0.08
Compensation to Key Management Personnel											
Mr.Vimal Kejriwal - Managing Director & CEO			**7.19**			**7.19**		**6.81**			**6.81**
short-term employee benefits (including Bonus and value of perquisites)			6.86			6.86		6.52			6.52
post-employment benefits # $			0.33			0.33		0.29			0.29
Sitting fees & Commission paid to Non-Executive Directors			**10.00**			**10.00**		**7.57**			**7.57**
Mr. H. V. Goenka			8.47			8.47		6.29			6.29
Mr. A. T. Vaswani			0.23			0.23		0.18			0.18
Mr. D. G. Piramal			0.17			0.17		0.14			0.14

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Transactions	As at March 31, 2021						As at March 31, 2020				
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Mr. G.L. Mirchandani			0.17			0.17		0.14			0.14
Ms. Nirupama Rao			0.17			0.17		0.13			0.13
Ms. Manisha Girotra (upto June 10, 2019)								0.04			0.04
Mr. R. D. Chandak			0.24			0.24		0.19			0.19
Mr. S. M. Kulkarni (upto July 27, 2019)								0.04			0.04
Mr. S. M. Trehan			0.24			0.24		0.18			0.18
Mr.Vinayak Chatterjee (upto August 12, 2019)								0.07			0.07
Mr. Vikram Gandhi (w.e.f. August 7, 2019)			0.14			0.14		0.10			0.10
Mr. M. S. Unnikrishnan (w.e.f. November 8, 2019)			0.17			0.17		0.07			0.07
Payments made/expenses incurred on behalf of related party		**6.27**				**6.27**	**0.10**		-		**0.10**
KEC Power India Private Limited		0.01				0.01	★				★
KEC Global FZ-LLC, Ras UL Khaimah							0.10				0.10
KEC Towers LLC		6.26				6.26					
Payments made/expenses incurred by related party		**1.86**				**1.86**					
KEC Towers LLC		1.86				1.86					

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forming part of the financial statements as at and for the year ended March 31, 2021

Transactions	As at March 31, 2021						As at March 31, 2020				
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Advance / Loan Given		**40.99**				**40.99**	**138.94**				**138.94**
KEC Global FZ – LLC, Ras UL Khaimah							0.40				0.40
KEC International (Malaysia) SDN. BHD.							22.45				22.45
KEC Towers LLC		40.99				40.99	87.17				87.17
KEC Global, Mauritius							28.92				28.92
Advance / Loan Recovered		**0.85**				**0.85**	**44.67**				**44.67**
KEC Global, Mauritius							22.22				22.22
KEC International (Malaysia) SDN. BHD.							22.45				22.45
KEC Towers LLC		0.85				0.85					
Advance received towards project execution				**4.81**		**4.81**			**11.79**		**11.79**
CEAT Limited				4.81		4.81			11.79		11.79
Conversion of Loan into equity		**154.81**				**154.81**					
KEC Investment Holdings, Mauritius		35.12				35.12					
KEC Towers LLC		119.69				119.69					
Contribution made					**15.49**	**15.49**				**10.28**	**10.28**
KEC International Limited Employee's Gratuity Fund					6.95	6.95				2.25	2.25
KEC International Limited Provident Fund					7.54	7.54				7.00	7.00
KEC International Limited Superannuation Fund					1.00	1.00				1.03	1.03

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forming part of the financial Statements as at and for the year ended March 31, 2021

Transactions	As at March 31, 2021						As at March 31, 2020				
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Investment made		**36.57**				**36.57**	**179.07**				**179.07**
KEC Towers LLC							0.58				0.58
KEC International (Malaysia) SDN. BHD. (Shared acquired from KEC Global, Mauritius)							4.58				4.58
KEC Investment Holdings, Mauritius		36.57				36.57	173.91				173.91
Guarantees given on behalf of the related party		**617.31**				**617.31**	**478.00**				**478.00**
SAE Towers Brazil Torres de Transmissão Ltda		27.06				27.06					
KEC Towers LLC		176.59				176.59					
KEC International (Malaysia) SDN. BHD.		413.66				413.66	478.00				478.00

★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.

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forming part of the financial statements as at and for the year ended March 31, 2021

(C) Balances outstanding as at the year end

₹ in Crore

Balances	As at March 31, 2021						As at March 31, 2020					
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Amount receivable/ (payable)		**(15.20)**	**(9.38)**	**7.12**	**0.40**	**(17.06)**		**161.71**	**(7.09)**	**11.24**	**(3.94)**	**161.92**
KEC Investment Holdings, Mauritius		3.83				3.83		39.40				39.40
KEC Global, Mauritius		10.24				10.24		10.25				10.25
SAE Towers Mexico S de RL de CV, Mexico		(18.02)				(18.02)		(21.90)				(21.90)
KEC Towers LLC		(20.19)				(20.19)		93.24				93.24
KEC International (Malaysia) SDN. BHD.		8.71				8.71		40.51				40.51
KEC Global FZ-LLC, Ras UL Khaimah		0.41				0.41		0.41				0.41
RPG Transmission Nigeria Limited		(0.18)				(0.18)		(0.20)				(0.20)
RPG Life Sciences Limited				0.01		0.01				★		★
Raychem RPG Private limited				(1.49)		(1.49)				(2.47)		(2.47)
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				(4.03)		(4.03)				0.70		0.70
CEAT Speciality Tyres Limited										0.02		0.02
Spencer and Company Limited				2.70		2.70				2.70		2.70
Swallow Associates LLP										★		★
Summit Securities Ltd.										★		★
Harrisons Malayalam Limited				9.85		9.85				9.84		9.84
RPG Enterprises Limited				(0.02)		(0.02)				0.35		0.35

NOTES

forming part of the financial Statements as at and for the year ended March 31, 2021

Balances	As at March 31, 2021						As at March 31, 2020					
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
KEC International Ltd. Employees' Group Gratuity Scheme					**0.40**	**0.40**					**(3.94)**	**(3.94)**
Mr. H. V. Goenka			(8.42)			(8.42)			(6.25)			(6.25)
Mr. A. T. Vaswani			(0.12)			(0.12)			(0.10)			(0.10)
Mr. D. G. Piramal			(0.12)			(0.12)			(0.10)			(0.10)
Mr. G.L. Mirchandani			(0.12)			(0.12)			(0.10)			(0.10)
Ms. Nirupama Rao			(0.12)			(0.12)			(0.10)			(0.10)
Ms. Manisha Girotra (upto June 10, 2019)			-			-			(0.03)			(0.03)
Mr. R. D. Chandak			(0.12)			(0.12)			(0.10)			(0.10)
Mr. S. M. Kulkarni (upto July 27, 2019)									(0.03)			(0.03)
Mr. S. M. Trehan			(0.12)			(0.12)			(0.10)			(0.10)
Mr.Vinayak Chatterjee (upto August 12, 2019)									(0.05)			(0.05)
Mr. Vikram Gandhi (w.e.f. August 7, 2019)			(0.12)			(0.12)			(0.08)			(0.08)
Mr. M. S. Unnikrishnan (w.e.f. November 8, 2019)			(0.12)			(0.12)			(0.05)			(0.05)
Investment (including investment in preference shares)		**806.90**				**806.90**		**615.52**				**615.52**
RPG Transmission Nigeria Limited		0.35				0.35		0.35				0.35
KEC Global FZ-LLC, Ras UL Khaimah		1.19				1.19		1.19				1.19
KEC Investment Holdings, Mauritius@		677.32				677.32		605.63				605.63
KEC Global, Mauritius		2.33				2.33		2.33				2.33
KEC Power India Private Limited		0.86				0.86		0.86				0.86
KEC Towers LLC		120.27				120.27		0.58				0.58

NOTES

forming part of the financial statements as at and for the year ended March 31, 2021

Balances	As at March 31, 2021						As at March 31, 2020					
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
KEC International (Malaysia) SDN. BHD.		4.58				4.58		4.58				4.58
RP Goenka Group of Companies Employees Welfare Association	★					★	★					★
Guarantees given on behalf of the related party:		**1,099.64**				**1,099.64**		**558.84**				**558.84**
SAE Towers Mexico S de RL de CV		78.22				78.22		80.84				80.84
SAE Towers Brazil Torres de Transmissão Ltda.SAE Towers Brazil Torres de Transmissão Ltda.		27.06				27.06						
KEC Towers LLC		176.59				176.59						
KEC International (Malaysia) SDN. BHD.		817.77				817.77		478.00				478.00

★less than rounding off norms adopted by the Company

@ Includes fair value of financial gurantees issued to subsidiaries and step down subsidiaries.

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 financial Statements as at and for the year ended March 31, 2021

NOTE 55 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, 2021	As at March 31, 2020
1	Sales Tax /Value Added Tax* (Tax/Penalty/Interest)	1994-2018	21.93	
		1994-2017		25.17
2	Excise Duty* (Tax/Penalty/Interest)	1994-2014	29.77	
		1994-2017		30.39
3	Service Tax* (Tax/Penalty/ Interest)	2003-2016	2.75	
		2003-2013		148.08
4	Entry Tax* (Tax/Penalty/Interest)	2001-2014	6.78	
		2001-2016		6.80
5	Goods & Services Tax* (Tax/Penalty/Interest)	2018-2021	0.14	
		2018-2019		0.15
6	(i) Contingent liability of Income Tax taken overby 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	
		A.Y. 2005-2006		1.88
	(ii) Income Tax matters mainly on account of Tax levied on guarantees given for Associated Enterprises	A.Y 2013-14 A.Y 2014-15 A.Y 2015-16 A.Y 2016-17	52.87	
		A.Y 2012-13 A.Y 2013-14 A.Y 2014-15 A.Y 2015-16 A.Y 2016-17		53.67
	(iii) Income Tax matters at overseas unit/s**	2002-2019	11.92	
		2002-2008		34.82
	(iv) Income Tax matters of a joint 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^^	1993-2020	19.14	
		1993-2019		20.02

★ 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 51.9.

Footnote for Note 55 (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.

NOTES

forming part of the financial statements as at and for the year ended March 31, 2021

(ii) Commitments

₹ in Crore

Sr. No.	Particular	As at March 31, 2021	As at March 31, 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**26.52**	60.32
2	Derivative related commitments	Refer Notes 51.7 and 51.8	

NOTE 56 – The details of amounts which are expected by the Company 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, 2021	As at March 31, 2020
Trade Receivables	1412.52	1,356.43
Contract Assets	516.72	318.68
Contract Liabilities	284.51	228.62

NOTE 57 - The Company 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 and other EPC businesses. 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 Company's performance on the analysis of profit before tax at an overall entity level. Accordingly, there is no other separate reportable segment as defined by Ind AS 108. "Segment Reporting". As the Company also prepares the consolidated financial statements (CFS), other relevant segment information is disclosed in the CFS.

NOTE 58 - EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Gross amount required to be spent by the Company during the year	11.81	8.37
(b)	**Amount spent during the year (in cash) on:**		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above	7.54	8.37

Details of ongoing CSR Projects under Section 135(6) of the Act ₹ in Crore

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	-

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, 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: ₹ 4.27 crore as at March 31, 2021 has been transferred to a separate "CSR Unspent Account".

NOTE 59 - Figures in respect of the Company's overseas branches in Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Congo, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Indonesia, Ivory Coast, Jordan, Kenya, Kuwait, Kazakhstan, Laos, Lebanon, Libya, Malaysia, Mali, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senagal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda, and Zambia have been incorporated on the basis of financial statements (the Branch Returns) audited by the auditors of the respective branches.

NOTES

forming part of the financial Statements as at and for the year ended March 31, 2021

NOTE 60 – The Board of Directors of the Company at its meeting held on May 11, 2021 have recommended a Dividend of ₹ 4/- per equity share of ₹ 2/- each for the year ended March 31, 2021, subject to approval of the shareholders.

NOTE 61 – The review petition filed by the Joint Venture (JV) in the High Court of South Africa against the adverse order passed by the sole arbitrator reversing the favourable adjudication award of ₹ 62 crore, was decided by the High Court of South Africa on October 04, 2019 in favour of the JV, directing a fresh arbitration for certain claims to be carried out by a new arbitrator. Against the order of the High Court, the customer has filed an appeal (in the Supreme Court of South Africa), which was heard on February 16, 2021. The order of the Supreme Court is awaited.

NOTE 62 - The Company in 2017 was awarded a contract to complete a 880 km, 765 KV and 400 KV transmission line. The project construction was suspended in January 2019, due to liquidity issues faced by the erstwhile sponsors of the project. The Company has now signed a novation agreement with a new sponsor, duly approved by lenders and the regulators, to complete the balance work. Subsequent to year-end, the Company has also received substantial payment, as per the agreed payment schedule and the project work has commenced.

NOTE 63 - The Company 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 64 - The Company has unsecured Commercial Papers which are Listed on BSE Limited. Details of previous and next due date of interest & principal of Listed Commercial Papers are as follows:

Sr. No	ISIN	Previous due date	Next due date	Interest and Principal (₹ in Crore)
1	INE389H14FG3	7-Oct-20	N.A.	25
2	INE389H14FJ7	23-Nov-20	N.A.	100
3	INE389H14FN9	11-Dec-20	N.A.	50
4	INE389H14FO7	18-Dec-20	N.A.	100
5	INE389H14FL3	22-Dec-20	N.A.	100
6	INE389H14FK5	23-Dec-20	N.A.	100
7	INE389H14FP4	28-Dec-20	N.A.	50
8	INE389H14FW0	18-Feb-21	N.A.	50
9	INE389H14FR0	22-Feb-21	N.A.	150
10	INE389H14FY6	23-Feb-21	N.A.	25
11	INE389H14FV2	25-Feb-21	N.A.	50
12	INE389H14FT6	8-Mar-21	N.A.	100
13	INE389H14FU4	10-Mar-21	N.A.	50
14	INE389H14FX8	25-Mar-21	N.A.	50
15	INE389H14FM1	30-Mar-21	N.A.	90
16	INE389H14FQ2	N.A.	20-Apr-21	200
17	INE389H14FS8	N.A.	3-May-21	100
18	INE389H14GA4	N.A.	24-May-21	100
19	INE389H14GB2	N.A.	25-May-21	75
20	INE389H14FZ3	N.A.	28-Jun-21	25

Credit Rating for the Commercial Papers - CRISIL A1+ and IND A1+.

During the year ended March 31, 2021, the Company has repaid interest and principal of all Commercial Papers on their respective due dates.

NOTES

forming part of the financial statements as at and for the year ended March 31, 2021

NOTE 65 - Based on the assessment performed by the Company and considering the strong order book and available liquidity, the Company believes that the impact of Covid-19 is not material. Accordingly, the pandemic is not likely to have a significant impact on the Company's future operations, its profitability and recoverability of the carrying value of its assets, as at March 31, 2021 and on its control environment. The Company will continue to closely monitor material changes to future economic conditions, if any, as and when they arise.

NOTE 66 - CAPITAL WORK IN PROGRESS:

₹ in Crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**8.64**	**5.27**
Addition during the year	139.81	112.87
Capitalisation during the year	(130.60)	(109.50)
Closing Balance	**17.85**	**8.64**

NOTE 67 – The Auditors of Branches located in Abu Dhabi, 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, Company can adequately source the funding required at mentioned branches and JCO.

NOTE 68 – The Company has approved its financial statements in its board meeting dated May 11, 2021.

Signatures to Notes 1 to 68 which form an integral part of financial statements.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 11, 2021

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 11, 2021

KEC International Limited
RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030, India
Tel: +91-22-6667 0200, www.kecrpg.com

KEC

An RPG Company

KEC INTERNATIONAL LIMITED

CIN: L45200MH2005PLC152061
Registered Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030
Website: www.kecrpg.com, Email: investorpoint@kecrpg.com
Tel No.: 022-66670200, Fax No.: 022-66670287

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting ("AGM") of KEC International Limited will be held on Wednesday, August 04, 2021 at 4:00 p.m. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt:**

   a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon.

2. To declare a Dividend on Equity Shares at the rate of ₹ 4.00 (Rupees Four only) per Equity Share for the financial year ended March 31, 2021.

3. To appoint a Director in place of Mr. Vimal Kejriwal (DIN: 00026981), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Branch Auditors

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors/Audit Committee of the Company be and is hereby authorised to appoint from time to time, Branch Auditor(s) of any branch office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Statutory Auditors, any person(s)/firm(s) qualified to act as Branch Auditor in terms of the provisions of Section 143(8) of the Act and to fix their remuneration.

RESOLVED FURTHER that the Board of Directors/Audit Committee of the Company be and is hereby authorised to do all such acts, matters, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

5. Ratification of Remuneration to Cost Auditor

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 700,000/- (Rupees Seven Lakh Only) plus taxes as applicable and re-imbursement of out of pocket expenses incurred in connection with the audit, payable to M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No. 000353), who have been appointed by the Board of Directors as the Cost Auditors to conduct audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified.

RESOLVED FURTHER that the Board of Directors of the Company (including any Committee thereof) and/or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (''the Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company and subject to such other approvals, permissions and sanctions, as may be required, approval of the Members be and is hereby accorded for the re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director of the Company, to be designated as "Managing Director & Chief Executive Officer (MD & CEO)" with effect from April 01, 2022 for a period of two years, liable to retire by rotation, on the terms and conditions including payment of remuneration as recommended by Nomination and Remuneration Committee and approved by Board of Directors and set out below, with further liberty to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee) to alter and vary the said terms and conditions including remuneration from time to time as it may deem fit and as may be acceptable to Mr. Vimal Kejriwal, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactment(s) thereof :

A. Salary and Allowances:

i. Basic Salary of ₹ 1,42,14,451/- (Rupees One Crore Forty Two Lakh Fourteen Thousand Four Hundred and Fifty One Only) per annum,

ii. Management Allowance of ₹ 1,42,14,451/- (Rupees One Crore Forty Two Lakh Fourteen Thousand Four Hundred and Fifty One Only) per annum and

iii. Customized Allowance Pool of ₹ 3,31,10,022/- (Rupees Three Crore Thirty One Lakh Ten Thousand and Twenty Two Only) per annum with such increments as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

B. Perquisites:

i. Contribution towards Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the rules of the Company.

ii. Refundable Security Deposit for taking on lease/ leave and license basis the flat accommodation for residence.

iii. Company Car and driver and Mobile Phone for official duties as per the rules of the Company.

iv. Leave encashment as per the rules of the Company.

In terms of Schedule V of the Act, the Company’s contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, payment of Gratuity at a rate not exceeding half a month’s salary for each completed year of service, provision of Company Car and driver and Mobile Phone for official duties and encashment of leave at the end of his tenure shall not be included in the computation of the ceiling on remuneration.

C. Performance bonus / incentive as per the rules of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors; and

D. Commission in addition to the salary, allowances, perquisites and performance bonus/incentive, calculated with reference to the net profits in a particular financial year, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The aggregate of salary, allowances, perquisites, performance bonus/incentive and commission as specified above shall be subject to overall ceiling stipulated under Section 197 of the Act and including any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER that notwithstanding anything contained herein, where in any financial year during the tenure of the MD & CEO, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals, if required, pay to the MD & CEO the above remuneration as the minimum remuneration by way of salary, allowances, perquisites, performance bonus and benefits as specified herein above and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time for a period of two years and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment as per policy of the Company shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Act.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that any of the Directors, Mr. Rajeev Aggarwal, Chief Financial Officer and Mr. Amit Kumar Gupta, Company Secretary, be and are hereby severally authorized to execute all such writings and instruments including the agreement with respect to the appointment of Mr. Vimal Kejriwal as the MD & CEO of the Company and to take all the necessary steps, make necessary applications and do all such acts, deeds, matters and things as may be necessary, including filing of necessary e-form(s) with the Ministry of Corporate Affairs, in connection with the aforesaid resolution and if required, the Common Seal of the Company be affixed on any document(s) in presence of any one of the aforesaid persons.”

7. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED that in accordance with the provisions of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the approval of the Members be and is hereby accorded for payment of commission of ₹ 8,42,21,737/- (Rupees Eight Crore Forty Two Lakh Twenty One Thousand Seven Hundred and Thirty Seven Only) to Mr. Harsh V. Goenka, Non-Executive Chairman, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company, within the overall limit of five percent of the net profits of the Company for the financial year 2020-21, as approved by the Members in the Annual General Meeting held on July 23, 2019.

RESOLVED FURTHER that the Board of Directors of the Company (including Nomination and Remuneration Committee thereof) and/or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors

Amit Kumar Gupta
Company Secretary
(M. No. ACS-15754)

Date: May 11, 2021
Place: Mumbai

Registered Office:
RPG House
463, Dr. Annie Besant Road
Worli, Mumbai – 400 030.

NOTES:

a) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), which sets out details relating to Special Businesses to be transacted at the Sixteenth Annual General Meeting ("AGM"), is annexed hereto.

b) In view of the continuing COVID-19 pandemic, to ensure social distancing norms, the Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, and clarification Circular No.02/2021 dated January 13, 2021 and the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, have permitted Companies to conduct AGM through Video Conferencing (VC) and Other Audio Visual Means (OAVM) without the physical presence of the Members at a Common Venue and has granted relaxation in respect of sending physical copies of the annual report to shareholders. The deemed venue of the Sixteenth AGM shall be the Registered Office of the Company. In terms of the said Circulars, the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Sixteenth Annual General Meeting of the Members is to be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith and also available at the Company's website www.kecrpg.com.

c) As this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

d) Pursuant to Regulation 40 of SEBI Listing Regulations, as amended with effect from April 1, 2019, transfer of securities of the Company would be carried out in dematerialised form only, except in case of transmission or transposition of securities. Further, SEBI vide its Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020, had fixed March 31, 2021 as the cut-off date, for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

e) **Record Date:** The Company has fixed Wednesday, July 21, 2021 as the Record Date for determining the entitlement of Members for payment of Dividend for the Financial Year ended on March 31, 2021, if approved at the AGM.

f) **Dividend:**

The dividend, as recommended by the Board, if declared at the AGM, will be paid, subject to deduction of tax at source, as applicable on or before Thursday, September 02, 2021.

For Members holding shares in Demat form:

i) The dividend shall be paid to those Members whose names stand registered in the Company's Register of Members as Beneficial Owners as at the end of business day on Wednesday, July 21, 2021 as per the list to be furnished by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

ii) Members may note that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agents cannot act on any request received directly from the Members holding shares in dematerialised mode for any change of bank particulars or bank mandates. Hence, such changes in Bank details, ECS mandate, address or e-mails are to be furnished by the Members to their Depository Participant only.

For Members holding shares in Physical form:

i) The dividend shall be paid to those Members whose names stand registered in the Company's Register of Members as Members on the end of business day on Wednesday, July 21, 2021.

ii) With a view to avoid any fraudulent encashment of dividend, the Member(s) holding shares in physical form are requested to furnish, if not already furnished, their Bank Account number, the name of the Bank and the Branch ("Bank Mandate") (along with copy of the cancelled cheque leaf with the first named shareholder's name imprinted on the face of the cheque leaf) where they would like to deposit the dividend warrants for encashment. These details should be furnished by the first/sole shareholder, directly to the Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited ('RTA') (Unit: KEC International Limited), C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083, Tel: 022-49186270, Fax: 022-49186060, by quoting the folio number. This information will be printed on the dividend warrants.

iii) The Members of the Company holding Equity Shares of the Company in physical form and who have not registered their bank details can get the same registered with Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html or by visiting their web site www.linkintime.co.in at the 'Investor Services' tab by choosing the E-mail/Bank Detail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, Folio Number, Certificate Number, PAN, e – mail id along with the copy of the cancelled cheque leaf with the first named shareholders name imprinted on the face of the cheque leaf containing Bank name and Branch, type of account, Bank Account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a Member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

iv) The Members, who are yet to encash the dividend declared by the Company till date, are advised to send request for issuance of demand drafts in lieu of uncashed dividend warrants for any of the financial years from 2013-14 to the RTA of the Company. The last date upto which the Members are entitled to claim the Dividend pertaining to FY 2013-14 is August 28, 2021. Pursuant to the provisions of Section 124(5) and 125 of the Act, the Company has transferred the unpaid or unclaimed dividends up to the FY 2012-13, from time to time on due dates, to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

v) Pursuant to the provisions of Section 124(6) of the Act and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all such shares in respect of which dividend(s) had not been claimed by the shareholders for 7 (Seven) consecutive years or more have been transferred to IEPF Account set up by the Central Government.

The shares once transferred to IEPF Account including dividends and other benefits accruing thereon can be claimed from IEPF Authority after following the procedure prescribed under the said Rules and no claim shall lie against the Company. For the purpose of claiming transferred shares, a separate application can be made to the IEPF Authority in e-Form IEPF-5, as prescribed under the said Rules, which is available at IEPF website i.e. www.iepf.gov.in.

g) **Deduction of Tax on Dividend**

i) Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and therefore the Company is required to deduct tax at source/withhold tax from dividend to be paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the provisions in the Income Tax Act, 1961 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode).

ii) A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source to Link Intime India Private Limited, the Company's RTA at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html or by email to kecdivtax@linkintime.co.in by Wednesday, July 21, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

iii) Non-resident shareholders (including Foreign Institutional Investors -FIIs/ Foreign Portfolio Investors – FPIs) can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the same at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html or sending the same by email to kecdivtax@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders by Wednesday, July 21, 2021.

iv) The formats of declarations, are available on the Company's website at https://www.kecrpg.com/dividend.

h) In terms of Section 152 of the Act, Mr. Vimal Kejriwal is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

i) The Company at its AGM held on July 26, 2017 appointed M/s Price Waterhouse Chartered Accountants LLP (Firm's Registration No. 012754/N500016) as the Statutory Auditors for a second term of 5 (five) consecutive years from the conclusion of the 12th AGM till the conclusion of the 17th AGM to be held in the year 2022 subject to ratification of their appointment every year, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away with by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Sixteenth AGM.

j) Details of the Director(s) pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard on General Meetings in respect of the Director(s) seeking re-appointment of Directorship at this AGM are appended to this Notice.

k) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to agm@kecrpg.com.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT AND FUTURE CORRESPONDENCE:

l) In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM along with the Integrated Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Integrated Annual Report 2020-21 will also be available on the Company's website www.kecrpg.com under 'Investors' tab, websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also available on the website of NSDL i.e. www.evoting.nsdl.com.

m) **REGISTRATION OF EMAIL ID:**

i) FOR SHAREHOLDERS HOLDING PHYSICAL SHARES:

The Members of the Company holding Equity Shares of the Company in physical form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html or by visiting their website www.linkintime.co.in at the 'Investor Services' tab by choosing the E-mail/Bank Detail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, Folio Number, Certificate Number, PAN, mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). In case of any query, a Member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

ii) FOR TEMPORARY REGISTRATION OF EMAIL ID BY DEMAT SHAREHOLDERS:

The Members of the Company holding Equity Shares of the Company in Demat form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Private Limited by clicking the link: https://linkintime.co.in/emailreg/email_register.html or by visiting their website www.linkintime.co.in at the 'Investor Services' tab by choosing the E-mail/Bank Detail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, DPID/Client ID, PAN, mobile number and e-mail id. In case of any query, a Member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

iii) FOR PERMANENT REGISTRATION FOR DEMAT SHAREHOLDERS:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the DP.

PARTICIPATION AT THE AGM AND VOTING

A) The details of the process and manner for participating in Annual General Meeting through Video Conferencing are explained herein below:

i) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and

Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

ii) The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled commencement time of the Meeting and window for joining the Meeting shall be kept open throughout the proceedings of the AGM.

iii) Members are encouraged to join the Meeting through Laptops/IPADs connected through broadband for better experience. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

iv) For the smooth conduct of the proceedings of the AGM being conducted through VC/OAVM, Members who would like to express their views/ask questions during the AGM may send their queries in advance and register themselves as a speaker by sending their request from their registered e-mail id mentioning their name, DPID and Client ID/Folio Number, PAN, mobile number at agm@kecrpg.com between 9.00 a.m. (IST) on Thursday, July 29, 2021 and 5.00 p.m. (IST) on Saturday, July 31, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

v) The Members who do not wish to speak during the AGM but have queries on financial statements or any matter to be placed at the AGM may send the same latest by Saturday, July 31, 2021 mentioning their name, DPID and Client ID/Folio Number, PAN, mobile number at agm@kecrpg.com. These queries will be replied suitably either at the AGM or by e-mail.

vi) Institutional/Corporate Members are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution, whereby their authorized representative has been appointed to attend & vote at the AGM on their behalf pursuant to Section 113 of the Act, to the Scrutinizer's e-mail ID: cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in.

vii) Members who need assistance before or during the AGM with respect to use of technology, can:

- Send a request at evoting@nsdl.co.in or use Toll free no.: 1800 1020 990 /1800 22 44 30; or
- Contact Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in; or
- Contact Ms. Sarita Mote, Assistant Manager, NSDL at SaritaM@nsdl.co.in.

viii) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

B) Remote e-Voting and Voting at AGM

i) Pursuant to the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Secretarial Standard on General Meetings issued by the Institute of Companies Secretaries of India, and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Company is pleased to provide to the Members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting facility. Members are provided with a facility of casting their votes electronically, through the e-voting system provided by NSDL.

ii) The remote e-voting period commences on Sunday, August 01, 2021 (09:00 a.m. IST) and ends on Tuesday, August 03, 2021 (05:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialised form, as on the cut-off date may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

iii) The Members, who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again at the AGM.

iv) The voting right of the Member(s) shall be in proportion to their share in the paid up equity share capital of the Company as on Wednesday, July 28, 2021 ("cut-off date"). Members are eligible to cast vote electronically only if they are holding equity shares as on that date.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Wednesday, July 28, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" or

"Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, July 28, 2021, may follow steps mentioned in the Notice of the AGM under **"Access to NSDL e-Voting system"**.

v) The Company has appointed Mr. P. N. Parikh (Membership No. FCS-327) and failing him Ms. Jigyasa Ved (Membership No. FCS-6488) of M/s. Parikh Parekh & Associates, Practicing Company Secretaries, to act as Scrutiniser to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

vi) The Results will be declared within two working days from the conclusion of AGM. The results declared along with the Scrutiniser's Report shall be uploaded on the website of the Company i.e. www.kecrpg.com and on the website of NSDL e-voting i.e. www.evoting.nsdl.com and the same shall also be communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

vii) The details of the process and manner for remote e-voting and joining the Annual General Meeting are explained herein below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode

In terms of SEBI Circular dated December 9, 2020 on e-Voting Facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**A. NSDL IDeAS facility** If you are already registered, follow the below steps: 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "Login" which is available under "**IDeAS**" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. **If you are not registered, follow the below steps:** 1. Option to register is available at https://eservices.nsdl.com. 2. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Please follow steps given in points 1-5.
Individual Shareholders holding securities in demat mode with NSDL	**B. e-Voting website of NSDL** 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider -NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, can login through their User ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi/ Login to My Easi option under Quick Login. 2. After successful login of Easi/Easiest the user will also be able to see the e- Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. Once you log in, you will be able to see e-Voting option. On Clicking on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: *Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.*

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542/43

B. Login Method for e-Voting and joining the meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than individual shareholders are given below:

    a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

    b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

    c. How to retrieve your 'initial password'?

        i. If your email id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail id. You will be required to trace the e-mail sent to you from NSDL from your mailbox. You can open the e-mail and open the attachment i.e. a PDF file. The password to open the PDF file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.

        ii. If your e-mail id is not registered, please follow steps mentioned below.

6. If you are unable to retrieve or have not received the " Initial password" or you have forgotten your password:

    a) If you are holding shares in your demat account with NSDL or CDSL: Click on **"Forgot User Details/Password?"** option available on www.evoting.nsdl.com.

    b) If you are holding shares in physical mode: **Physical User Reset Password?** option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

10. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN 116290" of KEC International Limited for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. Assent or Dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.

6. You can also take the printout of the votes cast by you by clicking on the "print" option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

    In case of any queries, with respect to remote e-voting or e-voting at the AGM, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 /1800 22 44 30 or can contact NSDL on evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in or Ms. Sarita Mote, Assistant Manager, NSDL at SaritaM@nsdl.co.in.

e-Voting at the AGM:

i) The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.

ii) Only those Members, who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii) The details of the persons who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same persons mentioned for remote e-voting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item No. 4 – Appointment of Branch Auditors

For the execution of various projects awarded to the Company in various countries, the Company has setup several branches outside India. Further, the Company may also open new branches outside India in future. For carrying out the audit of the accounts of such branches, it is necessary to appoint Branch Auditors. The Members are requested to authorise the Board of Directors/ Audit Committee of the Company to appoint, from time to time, Branch Auditors in consultation with the Statutory Auditors of the Company and to fix their remuneration.

The Board recommends the Ordinary Resolution, as set out at Item No. 4 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Ordinary Resolution set out at Item No. 4 of the Notice.

Item No. 5 – Ratification of Remuneration to Cost Auditor

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules"), the Company is required to appoint a cost auditor to audit the cost records of the Company. On the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 11, 2021 have approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants as the Cost Auditor of the Company for the financial year ending on March 31, 2022 at a remuneration of ₹ 700,000/- (Rupees Seven Lakh Only) plus taxes and reimbursement of actual out of pocket expenses incurred, if any, in connection with the cost audit. In terms of the provisions of the Act and Rules, the remuneration of the Cost Auditors is required to be ratified by the Members of the Company.

The Board recommends the Ordinary Resolution, as set out at Item No. 5 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Ordinary Resolution set out at Item No. 5 of the Notice.

Item No. 6 – Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO

Mr. Vimal Kejriwal had been appointed as Managing Director & CEO of the Company w.e.f. April 01, 2015 for a period of 5 years by the Members of the Company on March 30, 2015 and re-appointed w.e.f. April 01, 2020 for a period of 2 years by the Members of the Company on July 23, 2019. The present tenure of Mr. Vimal Kejriwal as Managing Director & CEO of the Company is due to end on March 31, 2022.

Under the leadership of Mr. Kejriwal, the overall performance of the Company has improved significantly both in terms of EBITDA and PAT growth, apart from improvement in revenue and order book. He has significantly contributed in turning KEC into a highly profitable company and has been instrumental in bolstering the Company's overall growth. During his tenure, the Company has grown the Railway business manifold and forayed into the Civil, Smart Infra, Oil & Gas Pipeline EPC businesses. Under his direction, the Company has bolstered its international presence and today has a footprint in more than 100 countries across six continents.

The EBITDA has increased from ₹ 511.80 Crore as on March 31, 2015 to ₹ 1,141.21 Crore as on March 31, 2021, whereas the PAT of the Company has increased from ₹ 69 Crore as on March 31, 2015 to ₹ 552.72 Crore as on March 31, 2021. The revenue grew from ₹ 8,467.80 Crore to ₹ 13,114.20 Crore during his tenure as Managing Director & CEO.

The performance of the Company and future prospects during the tenure of Mr. Kejriwal had been very well perceived by the Investors' community and is reflected in the market capitalization of the Company, which has increased significantly from about ₹ 2,058 Crore as on March 31, 2015 to ₹ 10,562 Crore as on March 31, 2021 and had touched all time high of about ₹ 12,494 Crore on March 03, 2021.

Considering the responsibilities being shouldered by Mr. Kejriwal and his valuable contribution towards the growth of the Company since his appointment as Managing Director & CEO, the Nomination and Remuneration Committee at its Meeting held on May 10, 2021 recommended to the Board the re-appointment of Mr. Vimal Kejriwal as the Managing Director & CEO for a further period of 2 years w.e.f. April 01, 2022 to March 31, 2024. The Board at its meeting held on May 11, 2021 re-appointed Mr. Vimal Kejriwal as the Managing Director & CEO for a further period of 2 years w.e.f. April 01, 2022 to March 31, 2024, in terms of the applicable provisions of the Act, subject to approval of the Members at this Annual General Meeting.

Mr. Vimal Kejriwal is a distinguished alumnus of the Kellogg School of Management, USA, and Narsee Monjee Institute of Management Studies (NMIMS), India. He is a meritorious Chartered Accountant and a Member of the Institute of Company Secretaries of India. He has over thirty eight years of rich global corporate experience across industries including Power Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers and Investment Banking. Prior to his appointment as Managing Director & CEO at the Company, he has worked as President–Transmission & Distribution business, President–Transmission business, Executive Director–International Transmission business and Chief Financial Officer of the Company. Prior to joining the Company in 2002, he has worked in a leading Global Investment Bank. Further, Mr. Kejriwal was conferred with the "Outstanding Achiever Award" by the RPG Group for the years 2004-05, 2007-08 and 2013-14 in recognition of his exceptional performance and commitment.

The Company has received requisite consent/disclosure(s) as required under the Act and Rules framed thereunder for Mr. Vimal Kejriwal, for considering his re-appointment. Mr. Vimal Kejriwal also satisfies the conditions as set out in Section 196 and Schedule V of the Act for being eligible for re-appointment. Further, Mr. Kejriwal is not debarred from holding the office of a director by virtue of any SEBI order or any other such authority.

The Board of Directors on recommendation of the Nomination and Remuneration Committee approved the payment of remuneration to Mr. Vimal Kejriwal upon his re-appointment as Managing Director & CEO as stated in the Resolution No. 6.

In case the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals, if any required, pay to the Managing Director & CEO the remuneration as stated in the proposed Resolution as the minimum remuneration by way of salary, allowances, perquisites, performance bonus and benefits as specified therein and as further revised and recommended by the Nomination and Remuneration Committee and approved by the Board from time to time.

The Company operates in several countries across the globe. However, pursuant to the provisions of the Act, only standalone profits are considered to compute the managerial remuneration and the profits of Subsidiaries and Joint Ventures are considered only in Consolidated Accounts. The performance and profitability of the Company on standalone basis may be adversely affected by the overall slowdown in economic growth due to various factors including COVID-19 pandemic and high competition in Infrastructure Industry. However, keeping in view the performance and the expertise of Mr. Vimal Kejriwal, the Nomination and Remuneration Committee and Board of Directors deemed it necessary to pay remuneration as mentioned in the resolution as minimum remuneration. The Board of Directors seek approval of the Members for the proposed re-appointment and payment of proposed remuneration as stated in the resolution and as may be further revised by the Nomination and Remuneration Committee and approved by the Board from time to time as minimum remuneration for a period of two years of his re-appointment.

Information as required under Schedule V of the Act is as below:

I. General Information:

i. Nature of Industry

The Company is a global infrastructure Engineering Procurement and Construction (EPC) major. It has presence in the verticals of Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infrasturcture, Oil and Gas Pipeline and Cables.

ii. Date or expected date of commencement of commercial production.

The Company was incorporated in 2005 and has already commenced commercial production since long.

iii. Standalone Financial Performance based on given indicator (₹ In Crore)

Particulars	2020-21	2019-20	2018-19
Total Revenue	11,851.79	10,470.62	10,117.80
Profit Before Tax	896.62	745.28	735.19
Profit After Tax	646.09	545.73	497.69

iv. Foreign Investments or Collaborations, if any

Nil

II. Information about the appointee:

Sr. No.	Particulars	Mr. Vimal Kejriwal
1	Background details	Mr. Vimal Kejriwal is an alumnus of the Kellogg School of Management, a meritorious Chartered Accountant and a member of the Institute of Company Secretaries of India. He has over thirty eight years of rich global corporate experience in the areas of Power Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers and Investment Banking.
2	Past Remuneration	**Period** / **Remuneration (₹ in Crore)** April 1, 2020 to March 31, 2021: 7.19 April 1, 2019 to March 31, 2020: 6.81
3	Recognition or Awards	Mr. Kejriwal was conferred with the "Outstanding Achiever Award" by the RPG Group for the years 2004-05, 2007-08 and 2013-14. Also, the Institute of Chartered Accountants of India awarded him the "CA Business Leader – Corporate award for the year 2018."
4	Job Profile and suitability	Responsible for overall day to day management of the Company under the supervision and control of the Board of Directors of the Company.
5	Remuneration Proposed	As stated in the Resolution for his re-appointment.
6	Comparative Remuneration Profile with respect to Industry, size of the Company, Profile of position and Person	Mr. Kejriwal carries vast and enriched experience in the business line of the Company. He has significantly contributed in turning KEC into a highly profitable Company and has especially been instrumental in diversifying its growth into adjacencies, such as Railways, Civil, Urban Infrastructure, Solar, Smart Infra and Oil and Gas Pipelines. He looks after and is responsible for the whole affairs of the management of the Company and is accountable to the Board of Directors of the Company, and the remuneration proposed to be paid to him is fully justifiable and comparable to that prevailing in the industry.
7	Pecuniary Relationship, directly or indirectly with the Company or relationship with the managerial personnel, or other director if any	Mr. Kejriwal has a relationship with the Company as Managing Director & CEO only. He is not related to any of the Directors or Key Managerial Personnel of the Company.

III. Other information:

i. **Reason for loss or inadequate Profits:**

The Company is an Engineering, Procurement and Construction (EPC) major delivering projects in key infrastructure sectors such as Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infra, Oil & Gas Pipelines and Cables. The spending on infrastructure by Government and Private player may be low in future years due to economic slow-down because of continuing COVID-19 pandemic and lack of policies at the Macro levels. Also the Company is competing with some big players in the Industries and hence the margins for projects may be low.

The Company proposes to obtain approval of Members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as above.

ii. **Steps taken or proposed to be taken for improvement:**

The Company has actively taken steps to improve on the performance of the Company. The Company has streamlined various processes including mechanisation thereof which has improved the efficiency of the operations. These along with other measures taken by the Company and with improvement in business sentiments, the Company is confident of improving its performance and profitability over the coming years.

iii. **Expected increase in productivity and Profits in measurable terms:**

The Company expects a better performance of the Company in all measurable parameters in the coming years in view of the continuous measures taken by the Company to improve on its performance.

The Board is of the opinion that the re-appointment of Mr. Vimal Kejriwal as Managing Director & CEO would be beneficial to the Company and accordingly it recommends the Special Resolution, as set out at Item No. 6 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Vimal Kejriwal and his relative(s), are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution set out at Item No. 6 of the Notice.

Item No. 7. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman

Pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Members at Annual General Meeting of the Company held on July 23, 2019 had approved the payment of Commission not exceeding 5% of the net profits of the Company to the Non-Executive Directors of the Company in addition to the sitting fees for attending the meetings of the Board of Directors/ Committee(s) and reimbursement of expenses in relation thereto.

Keeping in view the growth of the Company, contribution, responsibilities and the time devoted by the Non-Executive Directors, despite adverse conditions on account of COVID-19 pandemic situation, in the financial year 2020-21, the Nomination and Remuneration Committee (NRC) and the Board of Directors at their meetings held on May 10, 2021 and May 11, 2021, respectively, has recommended and approved the payment of Commission to Non Executive Directors of the Company equivalent to 1 percent of the net profits of the Company in the financial year 2020-21, computed in accordance with the provisions of Section 198 of the Act. The NRC recommended and Board has approved payment of Commission of ₹ 8,42,21,737 (Rupees Eight Crore Forty Two Lakh Twenty One Thousand Seven Hundred and Thirty Seven Only) to Mr. Harsh V. Goenka, Non-Executive Chairman for the financial year 2020-21.

Mr. Harsh V. Goenka is a promoter of the Company having extensive experience of more than four decades in the EPC Sector has been instrumental in helping guide the Company towards both short term growth as well as long term sustainability. As the Chairman of the Board, Mr. Goenka provides vision and thought leadership which has helped the Company achieve high standards of corporate governance, innovation, brand visibility and overall growth. His role in building a talent pool by leveraging his wide network of relationships has always been beneficial to the Company. Mr. Goenka provides guidance to the Company's senior management on a vast set of matters which has been instrumental in diversifying the Company's business into various new verticals over a period of time. The Board deems it appropriate to recognize his contribution and deems it fair to remunerate him with the above said amount of commission.

Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, necessitates Members' approval by way of Special Resolution for paying remuneration to one Non-Executive Director in excess of 50% of the total remuneration payable to all Non-Executive Directors. The above commission as proposed to be paid to Mr. Harsh V. Goenka, exceeds 50% of the total annual remuneration payable to all Non-Executive Directors. Thus, consent of the Members of the Company is being sought by way of Special Resolution.

The Board recommends the Special Resolution, as set out at Item No.7 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Harsh V. Goenka and his relative(s), are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution set out at Item No. 7 of the Notice.

By Order of the Board of Directors

Amit Kumar Gupta
Company Secretary
(M. No. ACS-15754)

Date: May 11, 2021
Place: Mumbai

Registered Office:
RPG House
463, Dr. Annie Besant Road
Worli, Mumbai – 400 030.

Details of the Director(s) seeking re-appointment in the Sixteenth Annual General Meeting to be held on Wednesday, August 04, 2021 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Clause 1.2.5 of Secretarial Standard on General Meetings are as follows:

Name of the Director	**Mr. Vimal Kejriwal**
Date of Birth & Age	February 04, 1961 60 Years
Date of first Appointment on the Board	January 01, 2015
Qualification	Chartered Accountant, ICAI; Company Secretary, ICSI; Advanced Executive Programme, Kellogg School of Management, USA
Expertise in specific functional area	Mr. Vimal Kejriwal is the Managing Director & CEO of KEC International Limited. He has successfully led the Company towards profitable growth during his tenure. Mr. Kejriwal has over 38 years of rich global corporate experience in the areas of Power Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers, and Investment Banking.
Directorships in other companies (excluding foreign companies)	1. KEC Power India Private Limited 2. Spencer International Hotels Limited 3. Raychem RPG Private Limited 4. Indian Electrical and Electronics Manufacturers Association
Memberships of Committees in other companies (excluding foreign companies)	NIL
No. of shares held in the Company	875 Equity Shares (Jointly held as second holder alongwith Mrs. Sunita Kejriwal)
Relationship with other Directors and Key Managerial Personnel	NIL

Note: *For other details such as number of meetings of the Board attended during the year, remuneration drawn, expertise, etc. please refer to the Corporate Governance Report section of the Annual Report.*