KALPA-TARU®
KALPATARU POWER TRANSMISSION LIMITED
Factory & Registered Office :
Plot No. 101, Part-III, G.I.D.C. Estate, Sector-28,
Gandhinagar-382 028, Gujarat. India.
Tel. : +91 79 232 14000
Fax : +91 79 232 11951/52/66/71
E-mail : mktg@kalpatarupower.com
CIN : L40100GJ1981PLC004281

KPTL/20-21
July 18, 2020

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI - 400 001. **Script Code: 522287** Listing: http://listing.bseindia.com	**National Stock Exchange of India Ltd.** 'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex Bandra (E) MUMBAI – 400 051. **Script Code : KALPATPOWR** Listing: https://www.connect2nse.com/LISTING/

Sub.: Annual Report for the FY 2019-20 including Notice of 39th Annual General Meeting

Respected Sir(s) / Madam,

In continuation of our letter dated July 13, 2020, this is to inform you that the 39th Annual General Meeting ("AGM") of the Company will be held on Wednesday, August 12, 2020 at 2:00 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities & Exchange Board of India from time to time.

In compliance with the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we do hereby submit the following:

(i) Annual Report of the Company for the financial year 2019-20; and
(ii) the Notice calling 39th AGM

Annual Report of the Company for the financial year 2019-20 alongwith the Notice of the AGM is being sent to the members only through electronic mode.

We would like to further inform that the Company has fixed Wednesday, August 05, 2020 as the "Cut-off Date" for the purpose of determining the members eligible to vote on the resolutions set out in the Notice of the AGM. The Cut-off Date stated in our letter dated July 13, 2020 may please be read as Wednesday, August, 05, 2020. The remote e-voting period shall commence on Saturday, August 08, 2020 (09.00 a.m. IST) and shall end on Tuesday, August 11, 2020 (05.00 p.m. IST).

Kindly take the same on records.

Thanking you,
Yours faithfully,
For **Kalpataru Power Transmission Limited**

Rajeev Kumar
Company Secretary

KALPATARU POWER TRANSMISSION LIMITED INDIA

Encl. a/a

KALPA-TARU®
POWER TRANSMISSION LIMITED

Cater. Compete. Consolidate.

POISED TO PROSPER

ANNUAL REPORT 2019-20

Contents

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You can also find this report online on:
www.kalpatarupower.com

This Report may contain certain forward looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors, including but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro-economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approval from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage; (9) natural calamities including pandemic, which could cause actual developments and results to differ materially from the statements made in this presentation.

Kalpataru Power Transmission Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

Cater to global infrastructure needs

Compete to fulfil our objective

Consolidate our strong position

Effort is a precursor and enabler of success. At KPTL, we acknowledge the consistency to untiring effort, unrivalled expertise and unswerving dedication of our teams to strengthen our foothold at home and abroad.

As we mark a new chapter in our growth path, we remain resolute to always stay one step ahead, leaving no room for complacencies. It is also time to strategically differentiate from the rest.

KPTL now aspires to further strengthen its position globally, chartering new territories in varied geographies. With our expanding footprint, we aspire to become a local service provider in different parts of the world, ready to leverage our tactical expertise and experience. We are investing in digital and technological prowess to improve and sharpen our operating efficiency and competitiveness. We are clear in our intent to be a capital light, cost efficient company, thereby delivering sector-leading margins, and enhancing shareholder value.

Overall, we are recalibrating our capabilities to Cater, Compete and Consolidate.

All About KPTL

Kalpataru Power Transmission Limited (KPTL) is amongst the largest players in the global power transmission and infrastructure EPC space. With proven experience and expertise, KPTL today has comprehensive capabilities to deliver complete solutions for power transmission, infrastructure development and asset creation. KPTL has interests in power transmission and distribution, oil and gas pipeline, railways, water, urban infrastructure and civil contracting.

With our knowledge and expertise in manufacturing, engineering, designing, project management, construction and operations, we have successfully executed projects over three decades. KPTL today has spread its footprints in 55 countries around the globe. Our ability to seamlessly deliver projects, offer end-to-end engineering solutions combined with digitally backed processes, have created a distinct and unique identity for brand KPTL. This has resulted in a steady flow of revenue and profitability, ensuring long-term growth for the Company. In 2019-20, KPTL generated consolidated revenues of ₹ 12,676 Crore and has a consolidated order book of ₹ 22,834 Crore, as on 31st March 2020.

Vision

To be the foremost Global player in all the business verticals we operate in & we will achieve this by adhering to our values

Values

At the heart of everything we do are the six KPTL values that guide our decisions and behaviours. We are proud to live by our values and expect the same of everyone who works with or for KPTL.

- Business Ethics
- Customer Centricity
- Pride
- Quality
- Respect
- Team Work

Our Businesses

Power Transmission & Distribution

KPTL provides end-to-end EPC solutions ranging from design, testing, procurement and fabrication to erection, installing, commissioning & operation and maintenance of power transmission lines (up to 1200 kV) & Sub-stations (up to 400 kV AIS/GIS). We have two state-of-the-art tower fabrication facilities in India with a combined installed capacity of 1,80,000 MT per annum in FY19-20.

Our in-house design team of over 100 engineers are equipped with abilities and expertise to design towers and sub-stations according to varied specifications, pertaining to geo-climatic conditions and voltage. Further, we have latest tower testing facilities and a R&D center for tower design validation (up to 1,200 kV tower). Our construction teams, spread across different countries, also undertake and efficiently execute projects in rough terrains and difficult climatic conditions.

Key highlights for 2019-20

- Expanded footprints in three new countries each in Asia, Latin America and Africa
- Renewed engagement with SEBs (Andhra Pradesh & Telangana) and Private Sector Clients in India
- Secured 1st order in 765 KV GIS Substation segment in India
- Post acquisition by KPTL, LMG secured three large projects in Sweden taking its order book to ₹ 1,152 Crore as on 31st March 2020
- Successfully completed 10 T&D projects including some of the most challenging projects

~6,500
TOWERS ERECTED IN 2019-20

3,000+ Ckms
OF STRINGING DONE IN 2019-20

Ongoing Projects in 35
COUNTRIES

Oil & Gas Infrastructure

We are amongst India's leading EPC players with end-to-end capabilities in designing, engineering, procurement, construction, testing and commissioning of cross-country Oil & Gas pipelines and associated facilities. We leverage our EPC capabilities to execute Oil & Gas processing facilities in shallow water pipelines, refineries and fertilizer plants. So far, we have laid 5,750 kms of pipelines and have set 340 intermediate and terminal stations.

Key highlights for 2019-20

- Recorded highest ever sales of around ₹ 1,300 Crore
- Won single largest EPC order for gas pipeline of ₹ 620 Crore
- Working on around 18 projects across India and completed more than 250 HDD Crossings and 70+ completed / ongoing station works in 2019-20
- Completed 4 projects in midst of challenging Right of Use (RoU) conditions
- Received technical qualification for working in three new countries outside India

1,150 kms

OIL & GAS PIPELINE COMMISSIONED IN 2019-20

Railway Infrastructure

We are amongst the leading players in overhead electrification, railway track laying, signalling & communication (S&T), power systems and civil works associated with railway networks. Our in-house team possesses design and engineering capabilities to cater to Metro Rail and Dedicated Freight Corridor (DFC).

Key highlights for 2019-20

- Commissioned around 700 track kms of Over Head Equipment (OHE) works
- Secured first EPC project from G-RIDE
- Clocked highest ever sales of around ₹ 1,750 Crore in 2019-20 with around 30 projects under execution in two countries

Over 2,200 track kms

RAILWAY ELECTRIFICATION WORKS EXECUTED TILL 31ST MARCH 2020

Civil Infrastructure Construction EPC - JMC Projects (India) Ltd.

JMC is amongst the leading civil construction and infrastructure EPC players in India with end-to-end capabilities to service verticals such as Buildings (Residential, Commercial & Institutional), Roads & Flyovers, Water, Urban Infrastructure, Metro Rail and Industrial Plants. JMC has a strong network in India, the SAARC countries and in Africa.

Over 100

PROJECTS UNDER EXECUTION IN 2019-20

₹ 9,546 Crore

ORDER BOOK AS ON 31ST MARCH 2020

Agriculture Logistics - Shree Shubham Logistics Ltd.

SSL offers agri-storage infrastructure and provides a wide range of value-added services like storage, warehousing, testing & certification, collateral management, funding and procurement. The Company manages and operates warehouses (Owned, Hired, third parties and Public Private Partnership (PPP) model) in the states of Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Bihar, Haryana, Delhi, Uttar Pradesh & Karnataka.

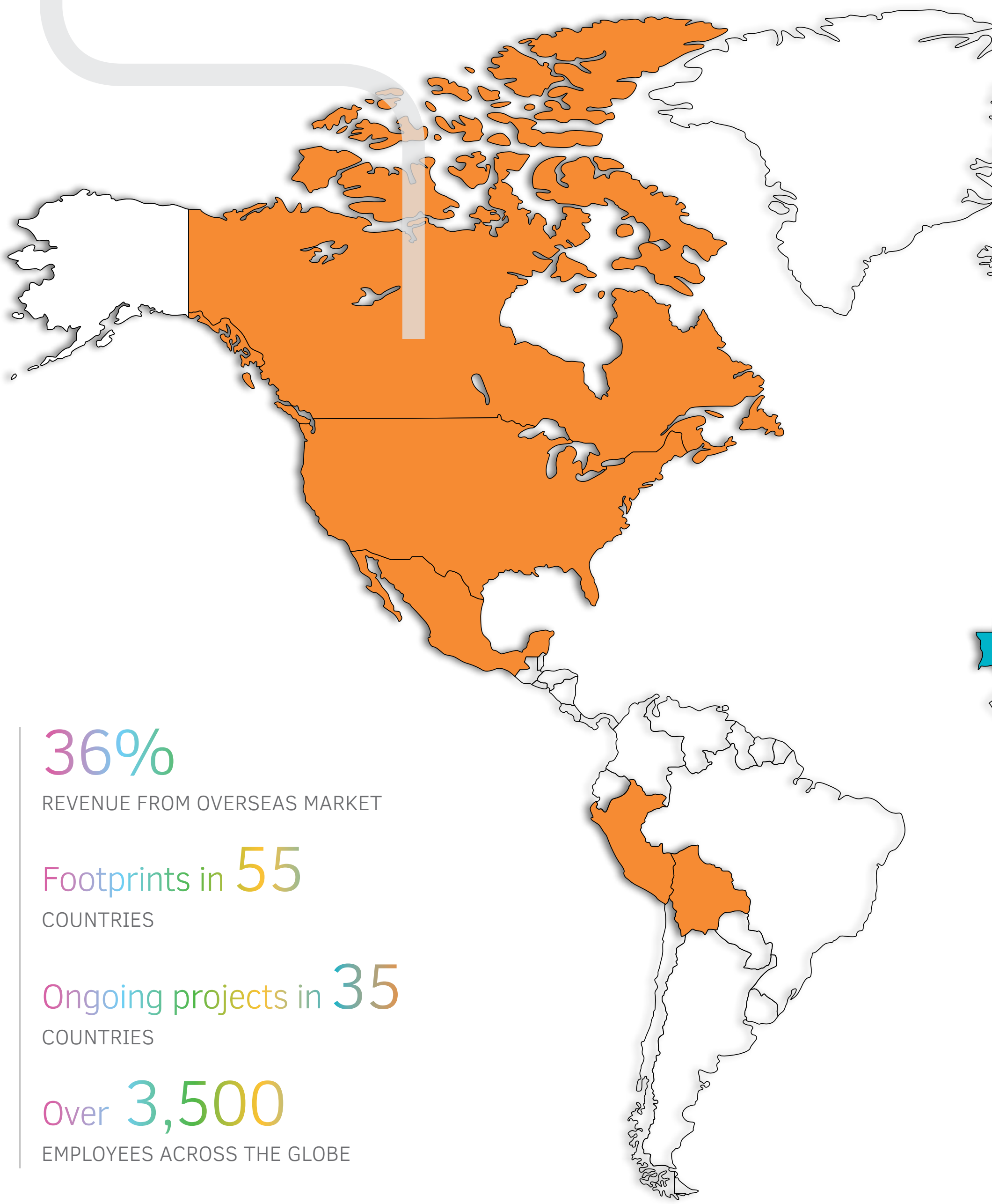
270

WAREHOUSES MANAGED WITH A TOTAL STORAGE CAPACITY OF AROUND 9.8 MILLION SQ. FT. AS ON 31ST MARCH 2020

Our Presence

7 Countries

AMERICA




bsi.

By Royal Charter

Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 37001:2016

This is to certify that: Kalpataru Power Transmission Limited
Plot No. 101, Part III
GIDC Estate, GH Road
Sector 28
Gandhinagar 380 028
Gujarat
India

Holds Certificate No: **IABMS 715458**

and operates a Quality Management System which complies with the requirements of ISO 37001:2016 for the following scope:

1. Engineering, procurement, construction and operations and maintenance of:
a. Transmission lines, distribution network and substations.
b. New rail track laying, rehabilitation work, overhead electrification, power systems, telecommunication systems, signaling systems, bridges and tunnels, station buildings and facilities, platforms and traction sub-stations, Metro railway and private railways sidings.
c. Oil and gas pipelines, gas gathering stations, process plants and Civil, Mechanical, Electrical, Instrumentation (CMEI) works in refineries and petrochemical plants.
2. Manufacturing of transmission towers and railway steel structures.
3. Power generation.

For and on behalf of BSI: Chris Cheung, Head of Compliance & Risk - Asia Pacific

Original Registration Date: 2020-01-16
Latest Revision Date: 2020-01-16
Effective Date: 2020-01-16
Expiry Date: 2023-01-15

Page: 1 of 1

...making excellence a habit.™

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated online.
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +91 11 2692 9000.
Further clarifications regarding the scope of this certificate and the applicability of ISO 37001:2016 requirements may be obtained by consulting the organization.
This certificate is valid only if provided original copies are in complete set.

Information and Contact: BSI, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP. Tel: + 44 345 080 9000
BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.
A Member of the BSI Group of Companies.

KPTL is amongst the very few companies globally

to achieve the international 'Anti-corruption management systems' certificate **ISO 37001:2016**. ISO 37001 is the world's first international certification standard for anti-bribery management systems and has been established as the new global standard for best practices for companies, to manage bribery-related risks.

36%

REVENUE FROM OVERSEAS MARKET

Footprints in 55

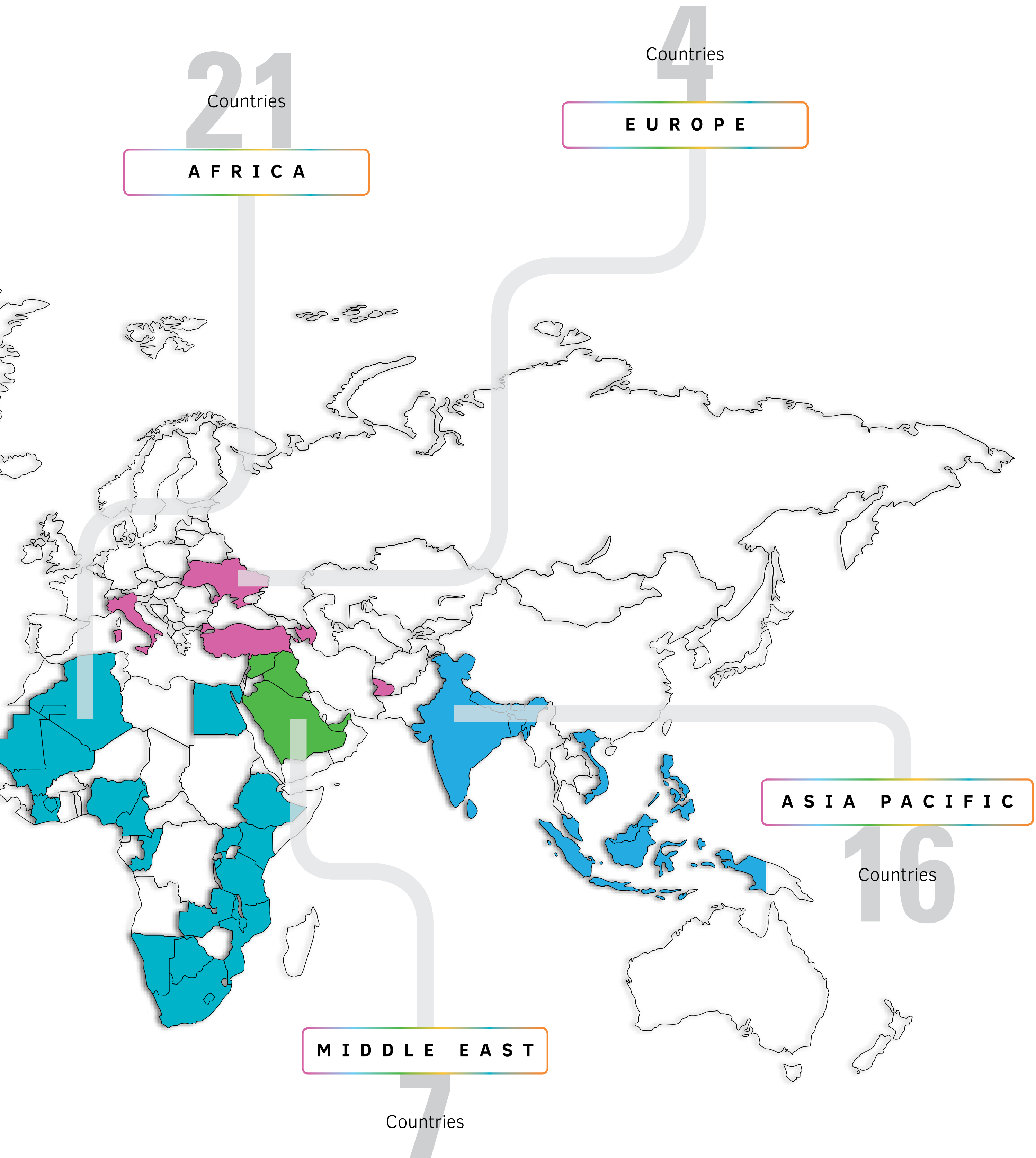
COUNTRIES

Ongoing projects in 35

COUNTRIES

Over 3,500

EMPLOYEES ACROSS THE GLOBE


21
Countries
AFRICA
4
Countries
EUROPE
16
Countries
ASIA PACIFIC
7
Countries
MIDDLE EAST

Performance Highlights

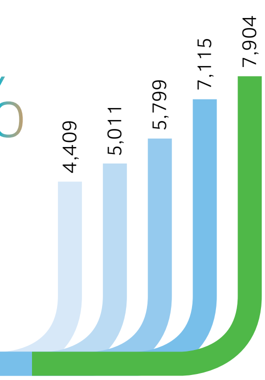
					(₹ in Crore)	$ in Millions
	2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2019-20**
Standalone						
Production in MTs*	1,44,887	1,57,830	1,96,768	1,68,634	1,73,094	1,73,094
Gross Revenue	**4,409**	**5,011**	**5,779**	**7,115**	**7,904**	**1,048**
Sales Growth (%)	-1.9	13.7	15.3	23.1	11.1	11.1
International Revenue	2,385	1,995	2,365	2,731	2,814	373
Total Expenditure (excluding depreciation and finance cost)	3,956	4,482	5,147	6,337	7,044	934
Operating Profit (PBDIT & other income and including Exceptional Items)	453	529	631	778	884	117
Other Income	54	49	48	51	58	8
Depreciation	84	78	77	86	110	15
Profit before Interest & Tax (PBIT)	423	501	603	743	832	110
Finance Cost	127	98	103	119	166	22
Profit before Tax	296	403	499	624	666	88
Provision for Taxation (incl. Deferred Tax)	103	134	177	223	203	27
Profit after Tax (PAT)	**192**	**269**	**322**	**401**	**463**	**61**
Equity Share Capital	31	31	31	31	31	4
Net Worth	2,215	2,478	2,770	3,152	3,536	469
Long-Term Borrowings (including current maturities)	312	464	525	493	456	61
Short-Term Borrowings	287	232	250	154	878	116
Total Borrowings (including current maturities)	599	696	774	647	1,334	177
Borrowings (Net of Cash and Bank balances)	493	484	693	501	970	129
Net Debt to Equity Ratio	0.22:1	0.20:1	0.25:1	0.16:1	0.27:1	0.27:1
Return on Equity (%)	**8.7**	**10.9**	**11.6**	**12.7**	**13.1**	**13.1**
Return on Capital Employed (%)	**14.9**	**17.7**	**18.8**	**20.9**	**20.4**	**20.4**
Book Value per Equity Share (₹/USD)	144.3	161.5	180.5	205.5	228.5	3.0
Earnings per Equity Share (₹/USD)	12.5	17.5	21.0	26.2	30.0	0.4
Operating Profit (%)	10.3	10.6	10.9	10.9	11.2	11.2
Profit before Tax (%)	6.6	8.0	8.6	8.8	8.4	8.4
Profit after Tax (%)	4.3	5.3	5.5	5.6	5.9	5.9
Order Book at year end**	**8,300**	**9,017**	**12,404**	**14,068**	**13,288**	**1,763**
Consolidated						
Gross Revenue	**7,292**	**7,629**	**8,742**	**10,841**	**12,676**	**1,682**
Profit before Interest & Tax (PBIT)	585	679	839	1,162	1,169	155
Profit after Tax (PAT)	**76**	**157**	**278**	**487**	**390**	**52**
Earnings per Equity Share (₹/USD)	4.9	12.2	18.3	30.4	25.3	0.3
Consolidated Order Book at year end	**14,500**	**16,000**	**20,020**	**24,030**	**22,834**	**3,029**
Net Worth (Excl rev reserve, attributable to owners)	2,247	2,422	2,673	3,120	3,359	446
Return on Equity (%)	**4.9**	**7.7**	**10.5**	**15.0**	**11.6**	**11.6**
Borrowings (Net of Cash and Bank balances)	2,756	2,585	3,036	3,281	3,458	459
Return on Capital Employed (%)	**10.6**	**13.0**	**14.9**	**18.4**	**16.6**	**16.6**

* The quantity includes production, on jobwork basis and purchased from/got processed from third parties.
** Order Book for 2019-20 includes order book of Linjemontage (Sweden)
1 USD = ₹75.3859

Standalone

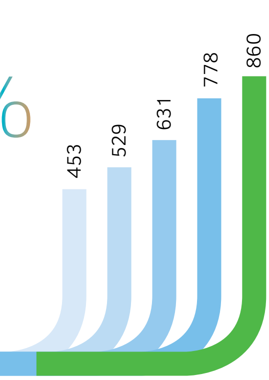
16%
5-YEAR CAGR

Revenue
₹ IN CRORE



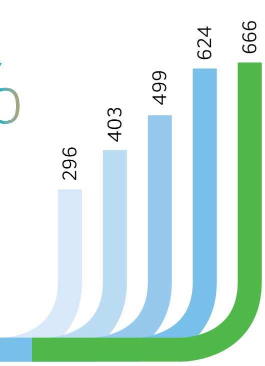
17%
5-YEAR CAGR

Core EBITDA
₹ IN CRORE



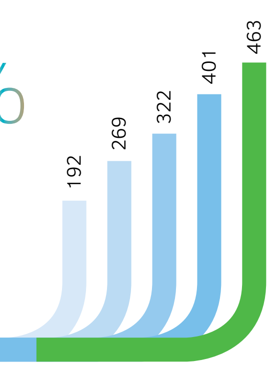
22%
5-YEAR CAGR

PBT
₹ IN CRORE



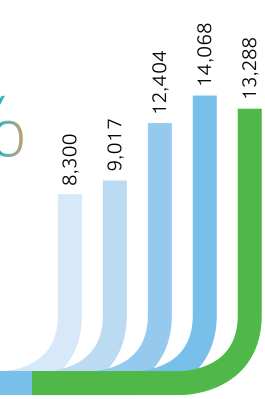
25%
5-YEAR CAGR

PAT
₹ IN CRORE



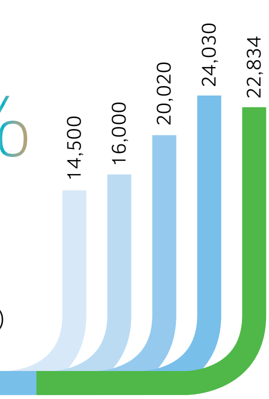
12%
5-YEAR CAGR

Order Book
(Standalone)
₹ IN CRORE



12%
5-YEAR CAGR

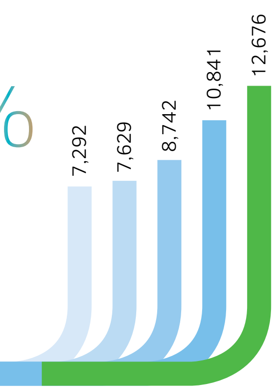
Order Book
(Consolidated)
₹ IN CRORE



Consolidated

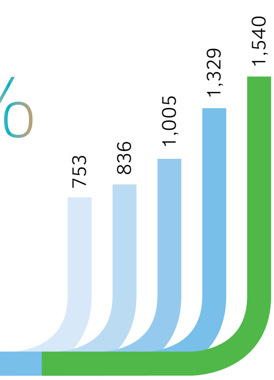
15%
5-YEAR CAGR

Revenue
₹ IN CRORE



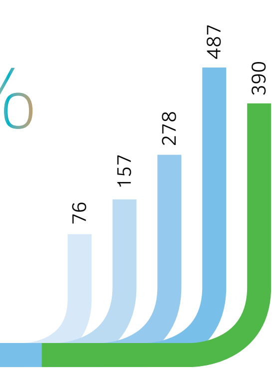
20%
5-YEAR CAGR

Core EBITDA
₹ IN CRORE



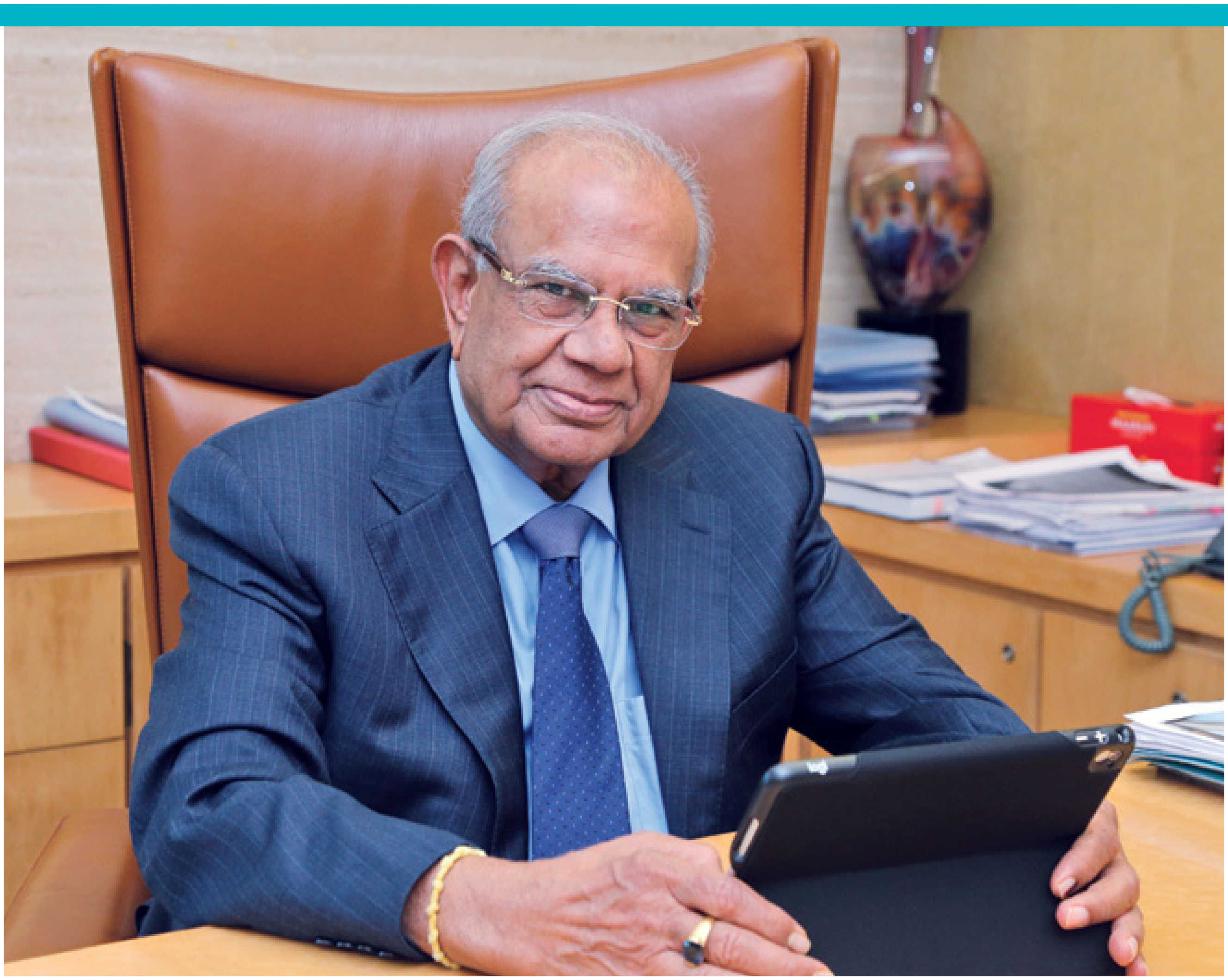
51%
5-YEAR CAGR

PAT
₹ IN CRORE



2015-16 2016-17 2017-18 2018-19 2019-20

Chairman's Message



DEAR SHAREHOLDERS

KPTL has a long standing reputation and our success has, and will always rely on our ability to continually evolve our business and deliver on our targets. We strive to create long-term and sustainable value for our stakeholders to endure our values and principles.

Our business strategies are underpinned in our values of business ethics, customer centricity, pride, quality, respect and teamwork. This ensures long-term business sustainability as well as continued value creation for all our stakeholders. In the current fiscal, we demonstrated our resilience to outperform despite multiple challenging conditions globally, registering impressive performances.

The year 2019-20 was marked by many headwinds in the global economy. Market sentiments mostly remained muted on account of trade uncertainty and softening consumer demand. To top it all, the unprecedented Covid-19 outbreak wreaked havoc around the world. This led to a moderate global economic GDP growth of 2.9% in 2019, the weakest since the global financial crisis of 2008. The slowdown was mainly driven by some advanced economies and developing economies.

India, like all other countries, witnessed the impact of softening global economic

> Growing our business remained a top priority in 2019-20, but it was certainly not our only focus. We have made substantial progress on our strategy to build an asset light business model by taking steps to divest our T&D BOOT assets and other non-core assets.

growth. The Indian economy was further affected by various factors such as declining manufacturing activity, resulting in lower consumption, persistent financial sector weakness, slowing investment in the construction and infrastructure sector and flattening of core sector growth. The country registered a GDP growth of 4.2% in 2019-20, which is further expected to weaken in the next fiscal as economic activities came to a complete halt due to the countrywide lockdowns imposed on account of the Covid-19 pandemic.

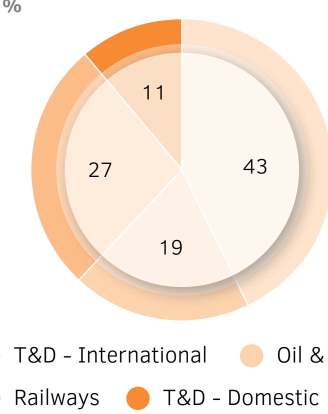
2019-20 Performance

Amidst a challenging economic and business environment, I am pleased to inform you that we continued to deliver a strong and sustained performance. Our revenue grew by 11% to reach ₹ 7,904 Crore in 2019-20, with EBITDA and PAT of ₹ 860 Crore and ₹ 463 Crore, respectively. We also continued to maintain healthy margins with EBITDA margin at 10.9% and PAT margin at 5.9% during the year under review.

We also continued to take measures to strengthen our balance sheet with constant efforts towards collection, project closure and reduction in capital employed, which has enabled us to maintain our working capital and debt at desired levels. We were able to maintain our net debt at ₹ 970 Crore, thereby securing our debt to equity ratio at 0.27

Standalone Order Book Status as on 31st March 2020

IN %



11%

YOY GROWTH IN REVENUE

10.9%

EBITDA MARGIN

5.9%

PAT MARGIN

times, as of 31st March 2020. We also maintained a well-diversified and healthy order book value of ₹ 13,288 Crore, as on 31st March 2020.

Our transmission business continued to strengthen its position in the domestic as well as international market. During the year under review, we continued to foray into newer geographies and fortified our position in high growth markets including SAARC, Africa, Europe and Central Asia. As we strengthened our capabilities in the sub-station business, we successfully secured orders from domestic and international markets. Our acquisition of Linjemontage in Sweden last year, has helped us to make significant inroads among clients in the Sweden and Norway markets. Linjemonatge has delivered exceptionally well on all parameters of growth and profitability. KPTL's strong balance sheet and operational capabilities has helped improved the competitiveness of Linjemontage, as its order book has more than doubled to ₹ 1,152 Crore in 2019-20. Coming to our T&D BOOT/ IPTC assets, we have successfully commissioned Alipurduar Transmission Line and are on track to complete the Kohima Mariani Transmission project as per targeted timeline.

Our railway business witnessed strong growth, as we registered sales of around ₹ 1,750 Crore, which is more than double compared to the previous year. Similarly, in the oil and gas infrastructure businesses, KPTL achieved record sales of around ₹ 1,300 Crore during the year under review. During the year, we have made significant progress on improving our capabilities in the railways and oil & gas businesses and have further strengthened our position in the Indian market. Railways and Oil & Gas businesses present a tremendous opportunity to grow in times to come, given the opportunities available to grow in both the domestic and international markets.

"We continued to deliver strong and sustained performance on revenue and margin front. We further strengthened and diversified our global presence, leveraging our leadership position in India while increasing critical mass in the key markets like Africa and SAARC, and gaining a foothold in Europe."

Our subsidiaries, JMC and Shree Shubham Logistics continued to deliver good performance. During the year under review, JMC continued to strengthen its market position in the civil construction and infrastructure EPC industry in India. JMC achieved a revenue growth of 14% with EBITDA margins of 11.1% in 2019-20. PAT for 2019-20 was ₹ 79 Crore compared to ₹ 142 Crore in the previous year as we have made an Expected credit loss provision of ₹ 79 Crore towards loans and advances given to Kurukshetra Expressway Pvt. Ltd. (KEPL), our road BOOT JV. JMC's Order Book reached ₹ 9,546 Crore with a good mix of both Buildings & Factories (B&F) and Infrastructure business. JMC is well placed to take advantage of rising infrastructure spends in Indian and international markets, focused on construction of housing, institutional buildings, roads, highways, water and urban infrastructure projects.

Shree Shubham Logistics business recorded a revenue growth of 7% from operations, to reach ₹ 132 Crore in 2019-20. Its core EBITDA margin grew by 360 bps, to reach 33.1% during the year under review. The loss after tax has been reduced from ₹ 15 Crore in 2018-19 to ₹ 8 Crore in 2019-20.

Capturing Value - Strategic Divestment Update

We have delivered excellent progress on our strategic initiatives in 2019-20. At the start of the previous year, we firmed up our strategy to exit the T&D developmental asset portfolio and other non-core businesses. Our focus now turns to drive incremental sales and value by driving growth in our core EPC businesses with a clear vision to be amongst the top players in the global EPC market in the businesses that we are present in.

We have successfully signed definitive agreements to sell all our four T&D assets under SPVs, of which one asset (i.e. Kalpataru Satpura) has already been transferred. The transactions for balance three assets are subject to requisite approvals and compliances. We have also initiated sale of our Indore real estate project. The proceeds arising from sale of T&D assets portfolio and non-core business will help us to lower our debt, improve our returns ratio and invest in growth of our EPC business. Simultaneously, we remain committed to enhance our shareholders' value in the form of dividends and share buyback. Our recently announced share buyback of ₹ 200 Crore is one of the most notable steps in that direction.

Delivering Value - Investing in Growth by Technological and Digital Initiatives

At KPTL, we believe that technology continues to play a critical role in our business transformation, driving efficiency and productivity while enriching customer experience across businesses. We have been measuring the impact of automation across our business value chain and processes. As a result, we have invested significantly towards end-to-end digitization of processes, from manufacturing lines, equipment and machinery to supply chain, inventory movement, training and construction & project monitoring. We are leveraging new-age technologies such as analytics, digital dashboards, geo & aerial technologies, artificial intelligence (AI) and sensor-controlled Internet of Things (IoT) to set new benchmarks in the industry and optimize our processes.

The advanced and sustainable utilization of technologies at our customer sites not only bring operational efficiencies to businesses but, also provide substantial cost savings with reduced overheads. These technologically superior processes with dynamic solutions have opened up new possibilities and developments, delivering superior returns across tangible and non-tangible parameters.

Delivering Value - Investing in Growth by Talent Development

At KPTL, our people are our greatest assets and form our core strength. We aspire to provide a conducive working environment that enables them to thrive and grow, to successfully scale greater heights of success. We also understand, in a dynamic environment where transformation, agility and innovation is the key to success, retaining and nurturing top talent plays a pivotal role to ensure our success. Thereby, we invest significantly towards training and development of our employees, empowering them with new skills and competencies. We also prioritize the safety and wellbeing of our employees and workers, laying maximum emphasis on their security.

Looking Ahead

As we cope with the massive humanitarian losses inflicted by the Covid-19 outbreak, new challenges related to this health crisis continue to surface with every passing day. While industries across the globe have experienced weakest productivity levels, lives and livelihoods have been impacted in ways that were previously unimaginable. AT KPTL, we are constantly learning and coping with the situation as we remain committed to step up and efficiently respond to each new challenge. To deliver exceptional services even during the crisis, we remained focused on the safety and wellbeing of our employees, workers and other stakeholders, going out of the way to provide all possible support.

Going forward, we remain motivated to drive profitable and sustainable growth by taking focused steps to strengthen our balance sheet and improve our return ratios as we concentrate on assuring agility in our operations, leveraging technology and digitisation to further strengthen our competitiveness. On the back of our strong order book value, an experienced team, enhanced capabilities and excellent relationships with our customers, we are confident of successfully navigating through these tough times.

KPTL is committed to acting responsibly to achieve economic, environmental and social progress. Under its CSR umbrella, the Company has carried out range of CSR activities in the field of Healthcare including preventive healthcare, ensuring environmental sustainability, promoting education, flood relief activities, promotion to technology incubators etc. We have been tirelessly working on a multi-pronged prevention, mitigation, adaptation and ongoing support strategy with the government and civil society to combat and contain novel COVID-19 pandemic.

As we look ahead to a new fiscal, I would take this opportunity to convey my gratitude towards our employees and our business partners for their hard work, dedication and support over the past year. I would also like to thank all our shareholders, customers and other stakeholders for their continuous support and trust in us, as we continue to drive transformational synergies to sustain business growth.

Regards,

Mofatraj P. Munot
EXECUTIVE CHAIRMAN

Board of Directors

Mr. Mofatraj P. Munot

EXECUTIVE CHAIRMAN

Mr. Mofatraj P. Munot is the Promoter and Executive Chairman of Kalpataru Power Transmission Ltd. He also serves as a Non-Executive Chairman of Kalpataru Ltd., the flagship real estate arm of the Group. He has vast experience of close to five decades in Real Estate and Property Development, Civil Contracting and EPC across the industry spectrum. He founded the Kalpataru Group in 1969 and has been the guiding force behind the Group's stellar success. He received lifetime achievement award at the CNBC Real Estate Awards in 2018.

Mr. Parag Munot

PROMOTER DIRECTOR

Mr. Parag Munot is the Managing Director of Kalpataru Ltd., the flagship real estate arm of the Group. He is responsible for Group's Real Estate and Property Development business. At Group level, he provides strategic support and drives new business initiatives. He is a graduate in Commerce and holds an MBA from Carnegie Mellon University, USA.

Mr. Manish Mohnot

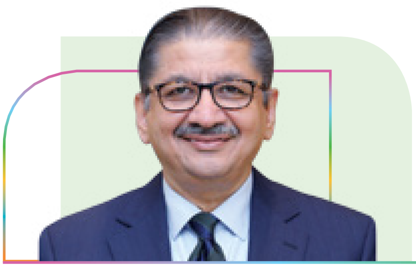
MANAGING DIRECTOR & CEO

Mr. Manish Mohnot has more than two decades of experience in areas related to power, oil and gas, infrastructure, consulting, banking and business development. He serves on the Boards of JMC Projects (India) Ltd. and SSL. He is a qualified Chartered Accountant and a Cost Accountant. He has also done an advanced management program from Harvard University, U.S.

Mr. Sajjanraj Mehta

INDEPENDENT DIRECTOR

Mr. Sajjanraj Mehta is a renowned senior professional and expert in the field of Accounting, Tax and Corporate Law. He has over 45 years of experience and serves as consultant in the field of Foreign Exchange, Taxation and Corporate laws to renowned companies. He is a Chartered Accountant by profession and has an independent consultancy firm.



Mr. Vimal Bhandari

INDEPENDENT DIRECTOR

Mr. Vimal Bhandari has over 30 years of experience in financial services industry. Presently he is associated as the Executive Vice Chairman and CEO of Arka Fincap Limited (formerly known as Kirloskar Capital Limited), a Non-Banking Finance Company engaged in providing debt capital to Indian corporates and real estate developers. He is an Independent Director in many of the Indian companies. For six years, till April 2017, he was the Managing Director and CEO of IndoStar Capital Finance Ltd. He is a Commerce Graduate from Mumbai University and a Chartered Accountant by qualification.

Mr. Narayan K. Seshadri

INDEPENDENT DIRECTOR

Mr. Narayan K. Seshadri has over 40 years of consulting experience in the field of finance, accounts, tax and business strategy. He was KPMG India's Managing Partner heading Business Advisory practice. He is the founder of Tranzmute Capital & Management Pvt. Ltd., which provides new ideas, management and capital to first generation entrepreneurs and family businesses. He is also on the Board of many prominent Indian companies. He is a Science Graduate and a Chartered Accountant.

Ms. Anjali Seth

INDEPENDENT DIRECTOR

Ms. Anjali Seth has over 30 years of experience in advising top banks, financial institutions and corporates on a range of matters including M&A, PE Investments, industrial and employee relations, corporate governance, real estate negotiation, legal matters, statutory issues and litigations. She has been associated in various positions with International Finance Corporation, ANZ Grindlays Bank, Standard Chartered Bank, Emmar Properties (UAE) and Swadhaar FinServe Limited. She holds bachelor's degree in Law.

Mr. K. V. Mani

INDEPENDENT DIRECTOR

Mr. K. V. Mani has more than four decades of unparalleled experience in T&D business. He has been associated with the Company for about two decades and has served as the Managing Director from 2001 to 2009. In June 2009, he became a Non-Executive Director of the Company and since January 2014 he is serving as an Independent Director. He holds a degree in Engineering and is a MBA from IMD, Switzerland.

Mr. Sanjay Dalmia

EXECUTIVE DIRECTOR

Mr. Sanjay Dalmia has more than three decades of experience in areas related to power, infrastructure, textiles, mining and business development. He has earlier worked in diverse geographies such as Far East, Africa, C.I.S. and Middle East and has experience of working with multicultural people. He is a qualified Chartered Accountant and Company Secretary.

Mr. Imtiaz Kanga

NON-EXECUTIVE DIRECTOR

Mr. Imtiaz Kanga has a rich experience of over 39 years in various industries. Currently, he serves on the Board of various Kalpataru Group Companies. He is a qualified Chartered Accountant.

Cater

To Global Infrastructure Needs with Deep Local Understanding

With global footprints in 55 countries spread across 4 continents, we are amongst the most geographically diversified Indian EPC Company. Our deep understanding of local markets in the global business environment along with our niche expertise in the T&D business provides us with an unparalleled opportunity to move progressively into both complementary geographies and adjacent businesses.

We continue to build

OUR CAPABILITIES IN KEY MARKETS, INVESTING IN ADDITIONAL TALENT AND ASSETS NEEDED TO EXECUTE NEW PROJECTS, TO BECOME A MULTI-LOCAL ORGANIZATION.

Strengthening existing markets, entering selected new markets

Our unique global presence is a source of sustainable growth and return. Opportunities to expand geographically as well as in related activities are tackled in an extremely disciplined fashion, based on our governance, risk, growth, and return requirements. We view localization, stakeholder relationship and cultural diversity as another competitive advantage. We focus on strong competitive positions with an aim to strengthen progress and address existing and new market growth opportunities.

We have differentiated approaches for entering various regions and sub-regions in opportunity markets. Starting from our first international project in Algeria in 2005 to our latest project in Turkmenistan, each project and market has a differentiated approach encompassing risk-return balance, business development, client relationship, tendering, design, engineering, financing, project management, procurement, supply chain management and construction.

We are well-positioned in some of the most resilient geographies of the global T&D market. KPTL has a leading position in India, SAARC, Africa, South East Asia and the Middle East. With highest focus on development of T&D infrastructure, these regions are one of the most resilient in the global T&D market and are expected to deliver significant opportunities going forward. Our leading position in these markets are underpinned by our extensive track record as a trusted partner to clients operating in the region. We have earned this through successful execution and significant value creation by improving infrastructure facilities, employing and training local people and through community development. Our footprint has enabled us to capture strong order inflows over the last few years, as we focus extensively on markets in India, SAARC, Africa, South East Asia and the Middle East.

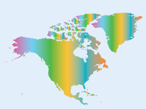
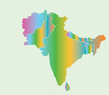
We are also well positioned to take advantage of increasing opportunities in Europe through our subsidiary Linjemontage i Grastorp AB (LMG), which we acquired in 2019. Capturing further growth in Latin American markets is key to positioning KPTL for future success. We continue to build our capabilities in key markets, investing in additional talent and assets needed to execute new projects, to become a multi-local organization.

We have a rich history of using acquisition opportunities to realize our strategic plans. Our acquisition of LMG in Sweden provides a significant milestone in the company's global strategy to meet the needs of T&D market in Europe and provides us a critical piece in our global network. This capability gives us a large capital projects interface office to execute projects launched not only in Nordic Markets but across Europe. We also have plans to accelerate our entry into other global markets through a similar acquisition to fast-track our strategy of building a world class EPC company backed by robust project execution capabilities and outstanding human capital.

Throughout the year we conduct formal reviews of our Group's key strategic priorities to adapt to market conditions and position our business for growth across the short, medium and long term.

The Group's strategic priorities for near-term and long-term are outlined below.

Specific Roadmaps for Each Region Combined with Market Driven Strategic Priorities

	SEED	NURTURE	GROW	ACCELERATE
Key Markets	 Americas	 Europe	 Africa, MENA, CIS, South East Asia	 India, SAARC
Specific Roadmap for each region	Markets with minimal presence	Markets with active sales and emerging brand position	Markets with direct presence and established brands	Markets with direct presence and faster growth plan
Key Achievements over last few years	› Focused and sustained business development efforts has helped us to gain tower supply orders in 3 new countries in last few years › We are proactively engaging with clients in South American markets for new EPC and tower supply orders	› Strategically acquired Linjemontage (Sweden) in 2019 to gain access to the European EPC market › Leveraging Linjemontage EPC expertise to expand business in Norway and other European markets	› Has further strengthened presence in Africa with entry in newer markets in West Africa › Strategically expanding base in CIS, MENA and South Asian markets › Established Sub-station business and Civil Infra business in Africa and Asia	› Achieved leadership position in Railways and Oil & Gas EPC in addition to T&D business › Successfully scaled up EPC business in Bangladesh by winning new orders in T&D and Railways business › Expanded capabilities in Water and Substation EPC business

International Business – Expanding Horizons

Horizon 01
Core growth

- Transmission Line EPC
- Tower Supply

Horizon 02
Growth Potential

- Oil & Gas Pipeline EPC
- Railways EPC
- Road & Highways EPC

Horizon 03
Emerging Businesses & Products

- Large Size EPC Projects
- Water Supply Projects
- B&F & Urban Infra
- Backward Integration in related businesses

Strategy Delivery – Acquisition of Linjemontage i Grastorp AB (LMG) – Building Expertise in Nordic & European Markets

Founded in 1993, LMG has grown to be one of the leading EPC players in Sweden. The company specializes in power supply solutions and services for electricity networks in the 0.4-400 kV range and has three main business areas - Substations, Transmission & Local Networks and Network Maintenance and Services. LMG has offices at eleven different locations in Sweden, with headquarters in Grästorp. It also has an office in southern Norway which serves the entire Norwegian market. At present, LMG employs around 160 people.

Over the years, LMG has developed strong technical capabilities and has built a great team to deliver some of the most challenging projects in Sweden, which has helped it to develop a strong reputation among the clients in Sweden and Nordic market for its quality output and the best safety standards. Since 2007, LMG has delivered a compounded average revenue growth of 14% making it one of the fastest growing EPC companies in Sweden.

In line with KPTL's strategy to build global T&D capabilities, it acquired LMG in 2019. This acquisition not only provides KPTL entry into the Nordic market, more importantly, it brings together two teams that share enormous cultural synergies and mutual respect for its people. Moreover, both KPTL and LMG have a clear strategy to upscale businesses in a challenging and competitive market environment.

KPTL and LMG together provides our business an excellent platform to develop capabilities for sustaining growth and profitability, going forward.

LMG'S PERFORMANCE POST ACQUISITION BY KPTL

- Revenue reached ₹ 579 Crore in 2019-20
- EBITDA margin improved by ~100 basis points to reach around 5% in 2019-20
- Order Book grew by over 2x to reach ₹ 1,152 Crore with major order wins in the 400kV Transmission Line segment and numerous Substation and power system orders

KPTL's core competencies

- Large Size Project Management & Delivery
- Global Sourcing & Supply Chain Management
- Strong Balance Sheet and Financing Capabilities
- Industry leading low-cost Design & Engineering capability to lower total project cost
- Global Risk Management

LMG's core competencies

- Track record of delivering projects in Sweden and Norway
- Expertise in EPC and maintenance of Transmission Line and Substation
- Long-term and strong Client Relationship
- Capacity for Construction Management, Quality and Safety Standards
- Strong local team of experts

Synergy realization

Better Prospects

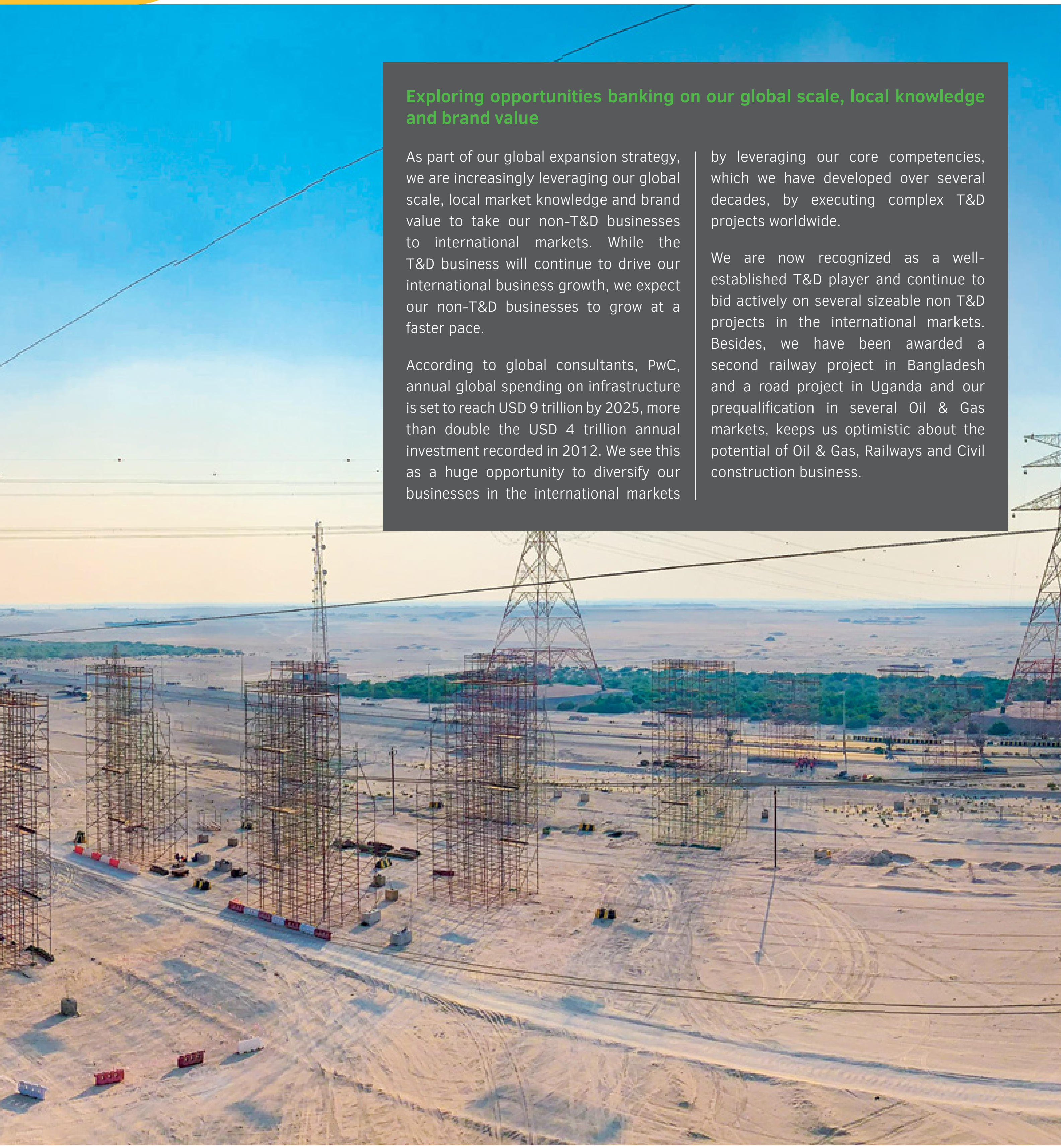
Favourably placed to win new work orders, given the financial and operational strength of KPTL

Broader Scope

Can actively bid for larger projects to drive growth

Improved Opportunities

Can cater to newer markets and clients based on combined capabilities



Exploring opportunities banking on our global scale, local knowledge and brand value

As part of our global expansion strategy, we are increasingly leveraging our global scale, local market knowledge and brand value to take our non-T&D businesses to international markets. While the T&D business will continue to drive our international business growth, we expect our non-T&D businesses to grow at a faster pace.

According to global consultants, PwC, annual global spending on infrastructure is set to reach USD 9 trillion by 2025, more than double the USD 4 trillion annual investment recorded in 2012. We see this as a huge opportunity to diversify our businesses in the international markets by leveraging our core competencies, which we have developed over several decades, by executing complex T&D projects worldwide.

We are now recognized as a well-established T&D player and continue to bid actively on several sizeable non T&D projects in the international markets. Besides, we have been awarded a second railway project in Bangladesh and a road project in Uganda and our prequalification in several Oil & Gas markets, keeps us optimistic about the potential of Oil & Gas, Railways and Civil construction business.

The Value of Local Knowledge – African Markets

In line with our strategy to build a global platform, KPTL has expanded its footprints in 21 countries in Africa, within a span of 15 years, executing multiple transmission and distribution (T&D) projects. KPTL, on an average, has added one new country every year in Africa, starting from our first project in 2005. We have also secured repetitive works in the same country owing to our commitment to ensure timely delivery, execution and quality output.

Wherever we work, we aim to create shared value by collaborating with local governments, employing local sub-contractors, supporting regional communities and stimulating local economies by creating viable infrastructure assets. This also gives us in-depth local knowledge, which helps us deliver demanding projects in challenging conditions.

In African markets we often face numerous challenges ranging from hostile environment, severe Right of Way (ROW) issues, transportation problems in land-locked countries, health concerns to limited availability of labour and construction equipment. KPTL's expertise and experience in project execution, along with its strong local knowledge has helped us to successfully deliver projects in Africa.

We have executed over 40 power T&D projects and it drives us to undertake non-T&D projects in Africa. We have successfully completed two road and highway projects in Ethiopia and are actively working to increase our participation in Railways and Oil & Gas projects in Africa.

~USD 235 Mn
ORDER BOOK IN AFRICA

FOOTPRINTS IN
21 Countries

40+
PROJECTS COMPLETED & UNDER CONSTRUCTION

1,500 kms
TRANSMISSION LINES BUILT & UNDER CONSTRUCTION IN AFRICA

Growing in Complementary Geographies

KPTL entered the SAARC market through a railway project in Bangladesh in 2011. This project acted as a significant breakthrough as well as an opportunity to prove its value to new clients. The project also demonstrated KPTL's focus on expanding reach in complementary markets.

In comparison to its peers, KPTL's entry into the SAARC markets was relatively late. However, within a period of 10 years, we have completed and executed 18 projects in five SAARC countries excluding India. Further, our success has not been limited to one business; we have expanded our T&D, substation, railways and water businesses in SAARC markets.

Our strong business development, robust engineering & designing intelligence, superior project management capabilities, efficient sourcing & supply chain, reliable sub-contractor base and solid client relationship has enabled us to successfully acquire and execute projects in SAARC countries. We are well placed to expand our presence in other EPC businesses to participate in bigger and better projects.

We have emerged as a trustworthy partner for our clients in the SAARC markets due to our ability to deliver complex projects on time and within stipulated budgets, while abiding by quality norms. It has also enabled us to play a constructive role in infrastructure development and to improve the quality of life of people in SAARC countries.

Value created

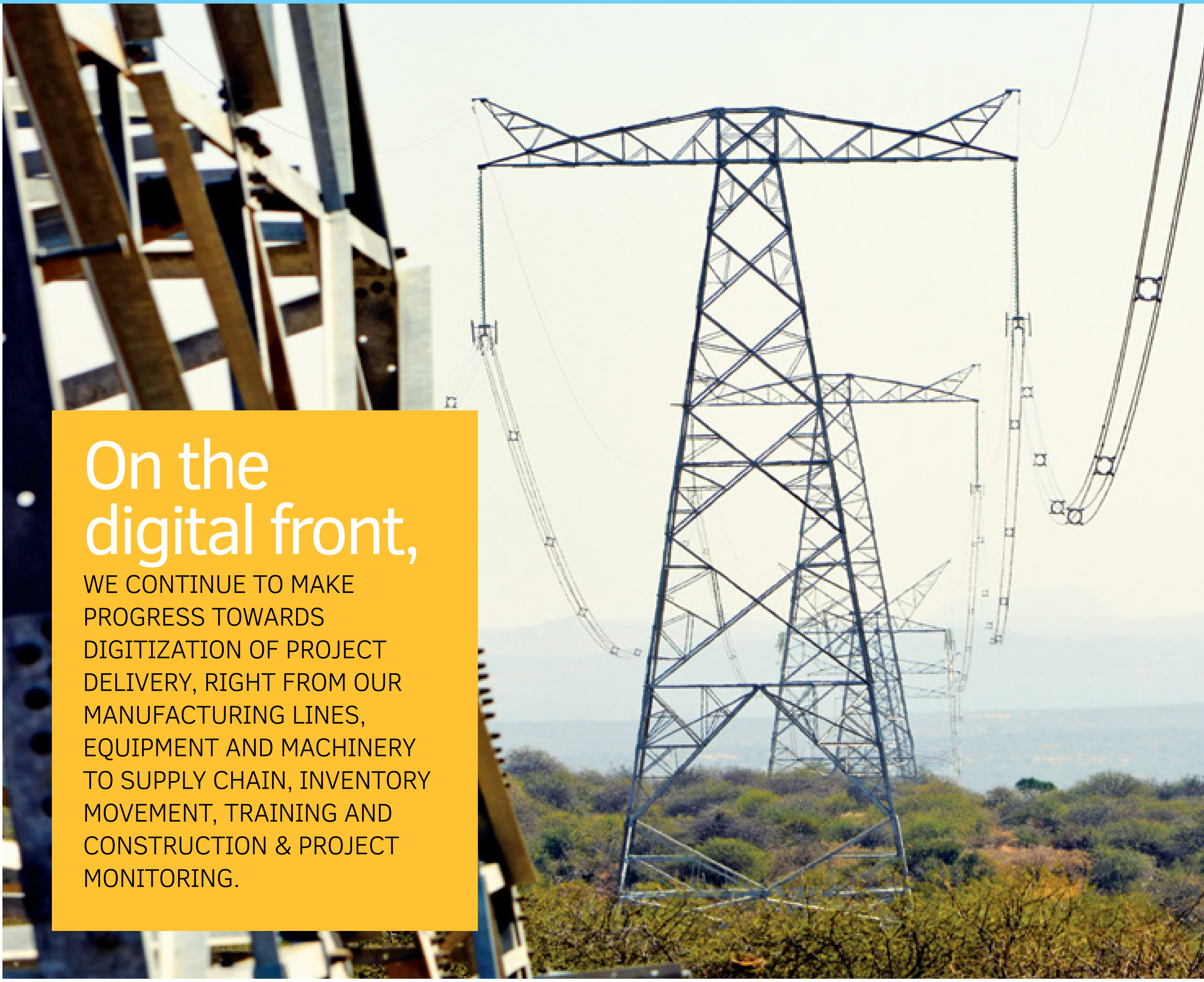
₹ ~2,200 Crore

ORDER BOOK AS ON 31 MARCH 2020 IN SAARC

Compete

To fulfil our objective of being a competitive and profitable EPC company

At KPTL, we aspire to strategically improve our operational efficiency and enhance our productivity to stay ahead of the industry curve. We continue to invest in digitization of operations to establish a systematic workflow, capitalize on opportunities in our core business activities and support our back-end functions. We are also building on our existing strengths and continuously improving the way we manage our business.



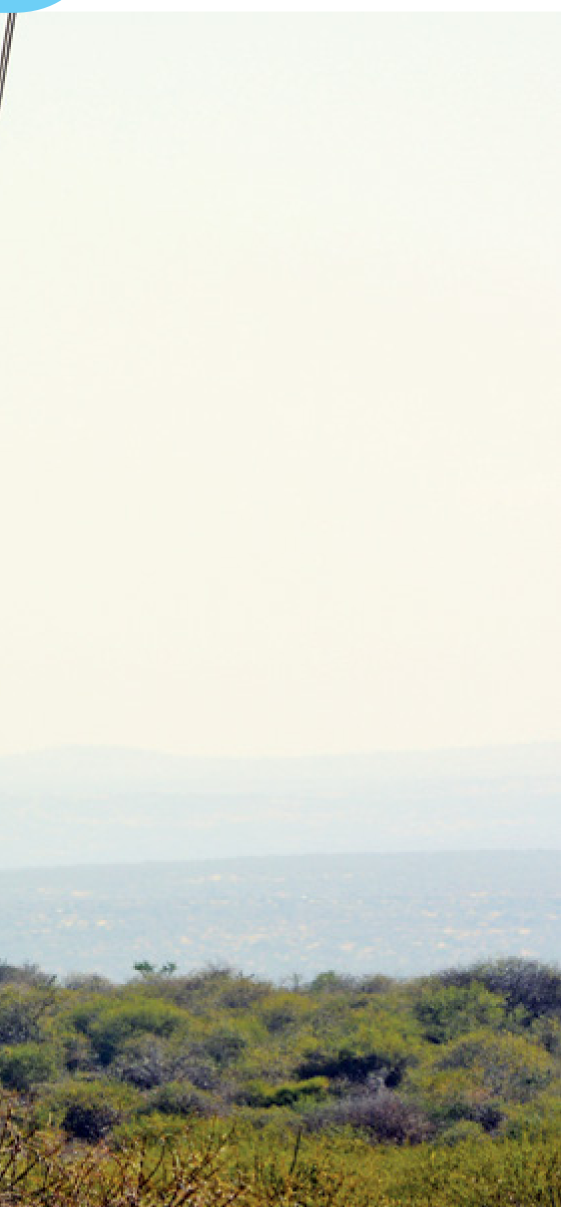
On the digital front,

WE CONTINUE TO MAKE PROGRESS TOWARDS DIGITIZATION OF PROJECT DELIVERY, RIGHT FROM OUR MANUFACTURING LINES, EQUIPMENT AND MACHINERY TO SUPPLY CHAIN, INVENTORY MOVEMENT, TRAINING AND CONSTRUCTION & PROJECT MONITORING.

KPTL has always been at the forefront of new technology adoption. We were among the early adopters of SAP in the EPC industry and have recently upgraded to S4 HANA 1809. By leveraging the emerging technologies such as analytics, digital dashboards, geo & aerial technologies, artificial intelligence (AI) and sensor-controlled Internet of Things (IoT), we continue to set new standards and optimize construction processes.

On the digital front, we continue to make progress towards digitization of project delivery, right from our manufacturing lines, equipment and machinery to supply chain, inventory movement, training and construction & project monitoring. Digital and technology intervention across all these activities has enabled us to efficiently complete and deliver our projects on time. We will continue to invest in the digital space, along with investments in appropriate technology and talent.

We aim to deploy leading digital technologies to drive efficiency in our operations. This will enable us to make our manufacturing more efficient, track projects real-time, reconcile project progress and costs, monitor labour productivity and optimise asset utilisation in terms of plants, machinery and equipment. We have adopted digitisation across the entire project life cycle to streamline our processes and procedures, optimise operations and enhance execution capabilities of projects. We are increasingly leveraging our recently upgraded SAP ERP by making it the main interface between various digital applications and solutions, which includes mobility solutions and analytics dashboards. We aim to be a pioneer in digitally enhanced operations in the EPC industry, utilizing latest technologies and modern construction equipment. Going forward, technology-led efficient project planning and execution is likely to distinguish us from the others.



Digital Initiatives Across The Project Life Cycle

- Centralized Project Management
- P&M & Site Vehicle Monitoring
- Material Tracking
- On Site Workmen Tracking
- Safety and Construction Trainings powered by Virtual Reality
- Site Surveys & Stringing by Drones

Real-Time Monitoring With Web/App Based Mobility Solutions Integrated with SAP ERP

Key initiatives undertaken across project life cycle and support functions are mentioned below:

Key Initiatives	Steps Taken
Best in-class Project Delivery **Objective:** To establish an integrated and holistic project management tool with our SAP ERP, enabling informed and real-time decision-making.	- We have developed new tools and modules in our SAP ERP to monitor project progress across various segments of the project life cycle, including planning, design, engineering, procurement, construction and quality. - We have introduced mobility solution to monitor real time progress, against project plans. We have also introduced analytics based management dashboards to monitor business performance across various segments of project life cycle including financial performance parameters. An Online Analytics Platform has also been developed on SAP Fiori to provide analytics on various KPIs.
World Class Manufacturing **Objective:** Adopting manufacturing processes that will help us to continuously focus on improvements in quality, cost, lead time, flexibility, and customer service.	- With the help of intelligent inspection systems, we have started to stream data insights from our manufacturing lines to manage machinery, inventory and labour efficiently. The benefits of vision inspection systems are not limited to production improvements, increased uptime, and reduction in expenses but, it also allows 100% inspection of parts for quality control purposes, to meet customer specifications efficiently. This will certainly help us to improve the quality and efficiency of our process/plants. - Additionally, we have adopted automation and have installed high-tech applications for material handling, fabrication and galvanizing. - We continued to focus on improving our manufacturing process by implementing various technology. We deployed Image Based Processing Tool to read Design Shop Sketches, to enable mobility solutions for various Shop Floor & Yard Operations and for the integration of SAP with CNC Machine to send CAM Program files based on the planning sheet.
Plant, Machinery and Equipment Monitoring **Objective:** Increase utilization and reduce downtime of critical plants, machineries and site vehicles.	- Installation of IOT based sensors to track P&M utilization, productivity, fuel consumption and equipment health - Using analytics for regular monitoring to improve P&M uptime and optimize fuel consumption
Enhancing Supply Chain Efficiency and Material Tracking **Objective:** Track critical materials at the site to improve inventory visibility and enable easier reconciliation of material to reduce material wastage	- Using specific hardware and software solutions (scanners, handhelds, barcode printers etc.) to track critical materials at project locations for improved traceability, enhanced inventory management, material reconciliation and to reduce waste.

Key Initiatives	Steps Taken
Virtual Reality based Online Trainings **Objective:** Leverage Virtual Reality and Online Training Modules to improve workers' training on safe working methods	• We are building online training modules, ranging from technical to soft skills, to make our people future ready – with over 100 online learning programs that support new ways of working. • We have created virtual reality based training modules on safe work methods in regional languages for site workers
Geo & Aerial Construction Technology **Objective:** Set standard procedures for drone operations for quicker site surveys, cut-fill estimation and faster & safer stringing in difficult terrains	• We have developed standard operating procedures for drone and Lidar operations to conduct site surveys, stringing work, and evaluation of project progress. • We have developed software for data processing and analytics
Worker Tracking **Objective:** Track worker's location to improve presence at site, ensuring increased	• We have implemented RFID solutions for workers at plants and selected project sites. In addition, GPS and mobile facial recognition solutions for linear projects have been initiated at selected sites. This will help supervisors to ensure accurate monitoring of project sites.
Integrated Sustainability We recognize that issues such as climate change, energy consumption, employee health & safety and growing environmental regulation will increasingly affect our operations. Hence, we want to fully integrate sustainability in our business to ensure long-term value creation.	We have focused on various sustainability initiatives around Environmental, Health and Safety issues. • We have a state-of-the-art Effluent Treatment Plant (ETP) for processing chemical effluent from our Galvanizing plant, allowing us to meet all CPCB/ SPCB norms and ensuring energy consumption • Kaizen system, improvements by all employees including workers, is helping us to continuously improve our workplace, reduce cost and improve EHS standards • We have solar roof top system of 303.3 KWp to generate renewable solar energy of approx. 3.6 lakhs units per annum.

Benefitting from Digitally Connected Project Sites

We are currently implementing digital solutions on active construction sites on pilot basis. These projects have savings targets for each solution and are expected to deliver steady return on investment (on the cost of technology deployment). We have already started to witness significant new productivity gains with our recent digitization initiatives and we believe, working closely with clients through digital initiatives will enable us to significantly benefit in the days to come.

Key benefits of digitization

Improved Productivity:

We are witnessing significant scope for productivity improvement by converting traditional time intensive systems and processes to digitally enhanced systems. Moreover, this helps in real time monitoring of projects and enables data analysis with the help of mobility solutions and analytics utilizing our SAP ERP. As a result, our construction and site teams have been able to spend more time on site level activities instead of concentrating on manual data entry and reporting, enabling productivity gains.

Time Management:

The integration of separate tools and systems to automate the flow of information in and out of our solutions has enabled us to process accurate information across the organization. Facilities for real-time tracking also enables timely management.

Ease of operation in difficult terrains:

Geo and aerial technologies, including Lidar and Drone, provided us a competitive advantage, especially for projects in difficult terrains. These technologies offer accurate data related to soil and topography, delivering feasible solutions for engineering and project planning. In addition, this has helped to reduce time taken for site surveys and provides real-time update of construction works.

Integrated Tracking Solutions:

Tracking devices have been integrated into an analytics dashboard and it allows us to monitor labour performance in real-time.

Location Tracking:

RFID-based material tracking system using mobile and vehicle mounted readers improved site material management and productivity.

Equipment Location and Utilisation:

Use of digital technologies and automation across plants and machinery is helping us improve asset uptime, keep the facility running for longer, and optimise maintenance, safety and resource utilization.

Strategically Significant Projects

Overhead Electrification and associated Civil, Telecom and Signaling Works of 312.7 Route kms for Konkan Railways in India

This was the first project by Konkan Railways for overhead electrification of 312.7 RKM spread across Goa and Karnataka. The project involved working in one of the most difficult terrain and climatic conditions. Almost 80% of the project was non-approachable by road, covered in through dense forest and hills. The project also involves working through 20 tunnels spread over a 20 kms area. In addition, there were 36 bridges with 220 bridge masts (longest bridge of 1.3 kms), some involving working 20 meter above water level. Moreover, most of the work had to be executed by blocking traffic.

Success Factors: Apart from deploying best of labour and project management capabilities, KPTL extensively used automation and mechanization for material shifting through BFR (Bogie Flat Wagon) and deployment of wagon mounted batching plant. Good coordination between design, procurement, logistics and site management teams resulted in timely delivery of all materials at site, which in turn resulted in continuous progress. KPTL received client appreciation for successfully executing the first ever electrification work for Konkan Railways.

Composite Railway Project involving Track Doubling and Overhead Electrification in Tamil Nadu, India from Rail Vikas Nigam Limited (RVNL)

The project involved composite works for track doubling between Madurai and Tuticorin, including construction of road bed, minor bridges, platforms, buildings, track laying, electrical works and signaling & telecommunication work spread across 88.78 kms in Madurai Division of Southern Railway, Tamil Nadu, India. One of the major challenges was the non-availability of natural blanketing material, owing to the mining restriction in Tamil Nadu. In addition, there was no access roads to site, which made it very difficult to transport material and labour.

Success Factors: Given the challenge to procure blanketing material, KPTL started extensive site investigation for identification of suitable quarries for earthwork, blanketing, ballast and other logistics. KPTL also deployed pug mill for producing blanketing materials due to non-availability of natural blanketing materials near the site. KPTL ensured timely finalization of suitable vendors for all priority works. In addition, new techniques like FSI Cutting, Lime Stabilization for BC soil were introduced. All these initiatives along with prudent project planning enabled project completion ahead of the scheduled date, thus making it one of the first composite railway projects in India to be completed ahead of time.

225 kV - 221 kms Transmission Line in Sierra Leone

This was KPTL's first project in Sierra Leone. This was an opportunity to prove and demonstrate our expertise to new stakeholders. The project involved various challenges ranging from hilly terrain, prolonged period of seasonal rains (6 months), lack of established sub-contractors and posed severe health problems for workers as they worked in a malaria-prone region.

Success Factors: Despite the inherent challenges associated with the project, KPTL deployed its work force to complete tasks on time. In addition, KPTL's meticulous engineering, project planning and timely delivery of towers and hardware, helped to mitigate execution issues. KPTL prioritized the health and safety of its employees and implemented measures to safeguard the health of its workers while ensuring enhanced productivity. We were appreciated by the client for successful completion of the project.

Establishment of 22kV Overhead and Underground Transmission in Cambodia

The project involved construction and establishment of 1,675 kms of new 3 phase 22 KV overhead line on concrete poles, short lengths of 22 kv underground cable and 22 kv/0.4 kv distribution transformers in the three provinces of Siem Reap, Kampong Thom and Kampong Cham in the Kingdom of Cambodia.

The most challenging part of the project was installation of 22 kV sub-transmission lines (262 kms) and Underground Cables (11 kms) in Angkor Protected Area. This part comes under UNESCO's World Heritage sites and is a protected zone. Entry to this area requires extensive follow up and documentations from various government authorities, prior to commencement of construction.

Success Factors: KPTL's emphasis on project management, design and engineering capabilities helped to manage both overhead and underground processes without damaging any of the trees and monuments within the protected zone. KPTL successfully managed logistics and completed overhead line and underground cable works for a total route length of 1,907 kms, scattered over three provinces, within the stipulated time frame.

Development of 400 kV Double Circuit 120 kms Transmission Line in Nagaland and Assam, India

Under Public Private Partnership (PPP), KPTL has expanded its T&D asset portfolio with the development of transmission lines in Assam and Nagaland on Build, Own, Operate and Maintain (BOOM) basis. The project involves setting up of the first 400 kV transmission line in Nagaland. Due to prolonged rainfall and severe winters in December and January, the time available for completing the project was rather less. Clay and intermittent rains throughout the year makes it very difficult to undertake tower foundation works and transport material to sites. In most places, ground water levels are very high, where foundation work has to be completed after continuous dewatering. The project also involves work in hilly terrain, covering approx. 40 kms, where approach roads had to be constructed for transporting material and heavy machinery.

Success Factors: To ensure smooth and continuous work within the limited time available, KPTL implemented the most efficient techniques for foundation, tower erection and stringing. Multiple teams have been deployed in various locations to accelerate the project and ensure expedited delivery in hilly areas. The project team is taking up each challenge step-by-step through meticulous planning and aims to complete the project in a time bound manner.

Mangala Intrafield Pipeline Augmentation Project in Rajasthan, India

The project involved augmentation of production from existing well pads and laying additional pipelines at Mangala. The project comprised designing and installation of new pipelines with sizes varying from 12 inch to 30 inch with cumulative length of approx. 44 kms, connecting well Pads and terminals.

It was supposed to be carried out in existing well pads and corridors where high-pressure pipelines were already operating and producing oil.

Success Factors: KPTL engineering and construction teams worked in close co-ordination to identify and mark existing pipelines by constructing trial pits throughout the length of the pipeline. The team also used existing drawings to verify the location of underground utilities and used digital detectors to locate pipes & cables and construct trial pits at regular intervals within the corridor. This helped to maximize productivity during wielding and pipe laying. Deployment of SAW welding unit and huge pipe layers also helped to save time.

With our meticulous planning and the dedication of our motivated workforce, we completed the final welding in 24 hours, completing it before the stipulated 48 hour maintenance period set by Mangala oil field.

363 kms Mallavaram-Bhopal-Bhilwara-Vijaipur Pipeline Project

The scope of the project included installation of 18 inch x 363 kms pipeline, piping works and associated Civil, Structural, Architectural, Electrical, Mechanical and Instrumentation works. The project spread over two states (Andhra Pradesh and Telangana) and posed logistical challenges for transportation of workers and machinery, given the marshy, rocky and highly undulated terrain. The work also involved crossing numerous water bodies, particularly the Maner river, with a width of approx. 2.5 kms. All these factors posed a major challenge for executing the project within 18 months.

Success Factors: KPTL used its extensive fleet of in-house machinery and labour to set up camp and offices across the region to reduce the travel time for workers. In addition, specialized agencies for HDD execution were deployed to carry our works across the water bodies and rocky areas. Two separate rigs were drilled from both ends of the Maner River to execute HDD through intersection method. The project was executed within timelines. KPTL's efforts were appreciated by the client at various forums and it was a prestigious project under the direct aegis of the Prime Minister's Office.

Consolidate

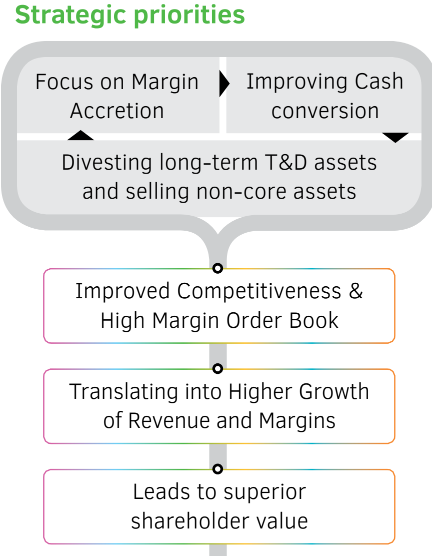
Our Strong Position in the EPC Market

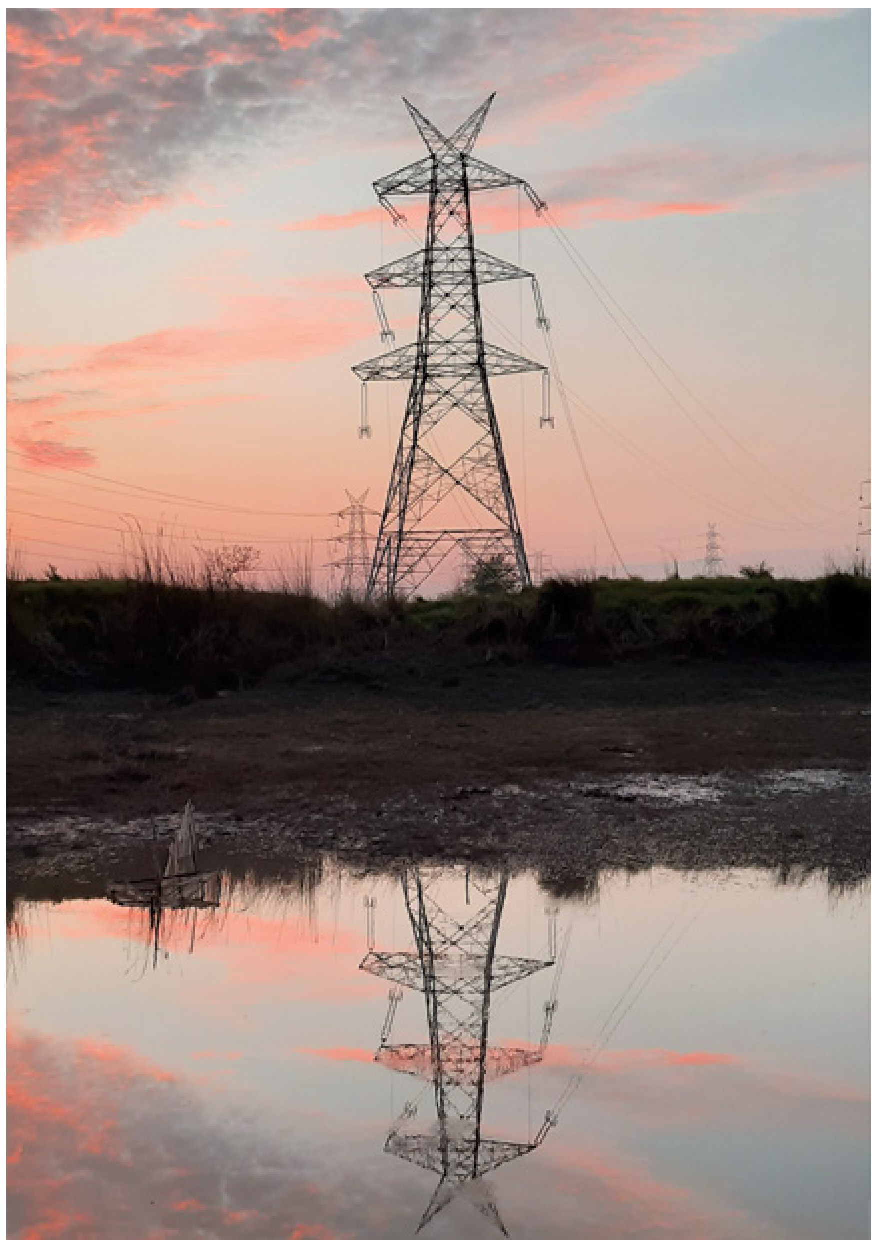
At KPTL, we have a proven track record of delivering strong financial performance and sustained margins. With changing industry dynamics, we continue to evolve our strategies and work towards consolidating and strengthening our position in the EPC market. We strive to continuously improve working capital management, divest long-term & non-core assets, increase order book value and maintain a strong balance sheet.

During the year under review, we made steady progress towards our commitments, particularly in three strategic objectives. First, we continued to improve our cash conversion by optimizing working capital. Second, we strengthened our balance sheet by liquidating our long-term and non-core assets. And lastly, we improved our underlying operating profit by strategic and disciplined bidding.

Further, capital allocation and prudent working capital management remains a key priority for us. We follow an active and disciplined approach towards the opportunities we identify, including strategic acquisitions and PPP investments. Additionally we will continue to enhance shareholder returns through dividends and share buybacks.

Strategic priorities





Divesting long-term T&D assets and selling non-core assets

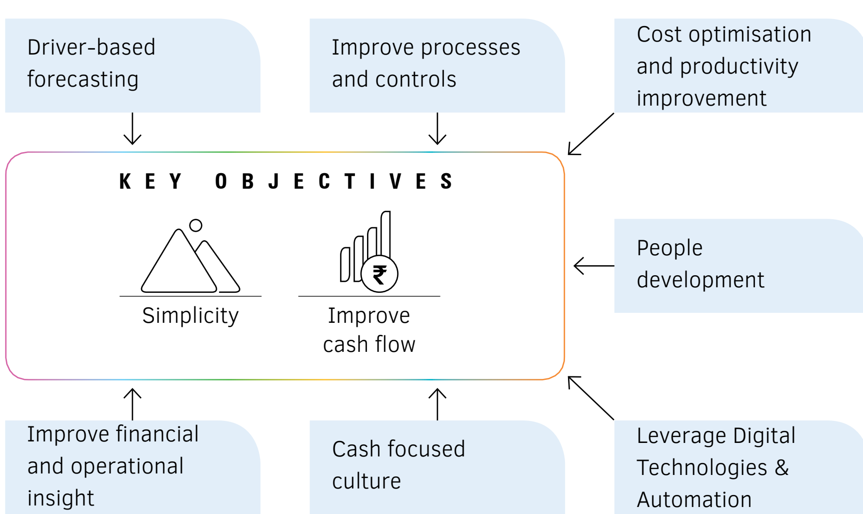
Our priority for the year was to make further progress in our transition to a capital-light business model. As a result, we took significant steps to sell four T&D BOOT/IPTC Assets. We have entered into agreement to sell all our four T&D assets namely, Jhajjar KT Transco (JKTPL), Kalpataru Satpura Transco Pvt. Ltd (KSTPL), Alipurduar Transmission Limited (ATL) and Kohima Mariani Transmission Ltd (KMTL), of which KSTPL has already been transferred to the buyer. The transfer and completion of transactions for balance three assets are subject to requisite approvals and compliances. Further, we made significant progress on our Indore real estate asset and sold 25% of the units in 2019-20. Simultaneously, we are working to sell our other non-core assets.

All these initiatives will enable us to maximize the economic value of significant investments made over the past decade, realize the growth potential embedded in our business and seize opportunities across all our markets. Our main objective is to further strengthen our balance sheet and be a low or zero net debt company.

Improving cash conversion by optimizing working capital and ensuring faster project closure

A Cash focused culture and optimization of working capital is an intrinsic part of our strategy. We are focused on addressing four critical areas of our working capital management i.e. receivables, payables, inventory and strengthening of systems & processes through automation. We are working simultaneously on all these areas to efficiently optimize our working capital, reduce activity and enhance capability. At KPTL, we have formed dedicated Project Closure Groups for each business with clearly defined processes and systems for speedy closure of projects, to recover our retention money and other liabilities in a time bound manner.

We are also standardizing our processes and improving the quality insights and analysis, to further drive business performance. The basic principle of collecting accounts receivables on time and expediting project closures revolve around the collection of retention money.



This is efficiently done with process automation and a joint collaboration of all the teams including finance, IT, commercial/project management. On the accounts payable side, supply chain teams/project managers, finance, and IT works together with a common goal to normalize accounts payable and reduce inventory.

Focus on margin accretion and building strategic & strong order book

We are confident of significant growth opportunities across all our businesses, especially in our core activities in key geographies and target markets. Hence, we are investing in our business development and technical capabilities, which will enable us to build an order book that is strategic in nature and in-line with our operating margin expectations. However, we continue to experience high level of competition. We are staying ahead of our peers by focusing on best-in-class delivery systems, further reducing our cost base and investing in digital technologies, local content and talent to maintain our competitiveness while preserving our bidding discipline.

Leading Responsibly

Strong Corporate Governance

We, at KPTL, are committed to the highest standards of governance by acting lawfully, ethically and responsibly. We believe that excellent corporate governance is the key to delivering maximum value to our stakeholders, by building trust and enhancing our reputation. Our reputation for honesty, integrity and ethical practices is our most important asset. Therefore, we are committed to adhere to the highest ethical standards in the way we interact with all our stakeholders – customers, suppliers, shareholders, employees, competitors, government and regulatory agencies and the communities in which we operate.

KPTL's ethical standards are highlighted in our 'Code of Conduct', which is reviewed and updated at regular intervals. It encompasses the following principles:

- To conduct ethical and legal business deals
- To act as responsible corporate citizens
- To ensure protection of assets

Environment, Health and Safety

Through our EHS policy we lay maximum emphasis on promoting a culture of health, safety and environmental protection in areas where we operate. Over the years, we have launched various initiatives to ensure Zero Accidents. We believe that all injuries can be prevented and therefore, our approach is focused on establishing a proactive safety culture.

We, at KPTL, are committed to promote and foster a safe working environment by incorporating EHS practices in daily operations, thereby preventing injuries and ensuring well-being of our employees, contractors and visitors. We are also committed to promote best practices and ensure proper compliance with Corporate, State and Local regulations and laws governing our activities. Further, our EHS Management System outlines a structured approach to manage risks and drive improvements in a consistent and systematic manner.

Our EHS framework includes:

- **Management Control**
- **EHS Organisation**
- **Training & Development**
- **Monitoring & Measurement**

Awards Received for our EHS practices

- Directorate of Industrial Safety & Health, Jaipur, Rajasthan conferred a Certificate of Appreciation and Award for Best Occupational Health and Safety practices to Padampur Biomass power plant.
- Power Grid Corporation of India Limited ("**PGCIL**") awarded a **Certificate of Appreciation** for EHS Performance of KPTL for continual improvement and excellence in Occupational Health, Safety & Environment for the period 2019-20 at 765kV D/C PS Hexa Varanasi – Vindhyachal Transmission Line Project.
- PGCIL also offered a "**Certificate of Appreciation**" for successfully executing 765kV S/C Sipat Bilaspur Transmission Line CKT 1 & CKT 2 without any time loss due to accidents and for maintaining improved EHS & Quality Standards. Further, Transmission Corporation of Andhra Pradesh Limited issued an Appreciation Letter for successful upgradation of 220/132 kV Rachangunneri SS to 400/220/132 kV Rachangunneri SS and connected transmission networks, adhering to 100% safety and quality norms.

Our People

At KPTL, we believe that attracting and retaining talented people is the key to success. The successful delivery of our strategy is dependent on our ability to grow and nurture our employees. As a result, we strive to build a work environment that is diverse and promotes inclusion. We also strive to provide our employees a great place to work, wherein they can grow and enhance their skills and knowledge. With the advent of technology, we are also investing significantly in skill development programs, particularly to enhance digital skills through various training and development initiatives.

Key initiatives of 2019-20

Skill development

In 2019-20, we modified our Leadership Development Framework in accordance with the skills and competencies of our employees. The Leadership Capability Framework is a cornerstone of our People Strategy. It supports the cultural change which is embedded across our processes.

Growth Mindset: A program on collaborative leadership to lead an agile team by partnering with leading industry experts and consultants

Leap: Leadership Excellence and Pride for Future Leaders aims to ensure a smooth transition of managers to higher positions in the leadership pipeline

Elevate: Early Leadership Excellence, Visioning and Talent Engagement Program aims to elevate a leader to better positions within the organizational hierarchy

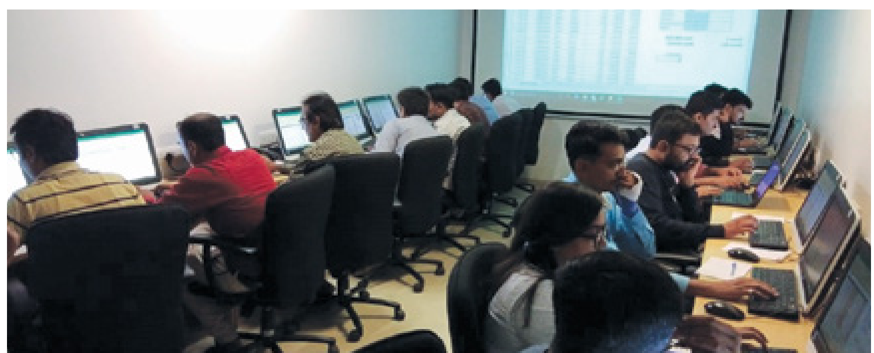
~6,450
TRAINING MANDAYS ACHIEVED IN 2019-20

Over 2,900
ONLINE COURSES COMPLETED BY EMPLOYEES IN 2019-20

Undertook over 600
TRAINING PROGRAMS IN 2019-20

Digitization

With the introduction of our HR Bot – a Mobile Application on AI platform, we have digitized our key HR processes to make them simpler, quicker and easily accessible, to further improve the experience of our employees. We have automated the app to help supervisors approve leave and travel requests, place purchase orders and formulate CAPEX plans.



Talent Acquisition

Our talent acquisition teams not only managed to hire a large number of people in 2019-20, but also maintained and even improved some of the key measures of talent acquisition performance, notably candidate satisfaction, on-time hiring and manager satisfaction. Proper employee on-boarding is also critical for the team, as it enables a smooth transition of new employees to the organization. The Employee First initiative is designed to gauge comfort of new employees with our organizational culture, improve understanding of company's business operations and to offer initial infrastructural support.

Empowering Lives

At KPTL, we are aware of our social responsibility towards communities and aim to empower and enrich lives through meaningful contributions. We engage in a wide variety of voluntary activities to make a difference to the world around us. As a responsible corporate citizen, we undertake need-based initiatives in the areas of:

- Healthcare
- Education
- Poverty alleviation
- Women empowerment
- Environment
- Rural Development

Some of the notable initiatives taken during 2019-20:

Kalp - Seva Arogya Kendra - Gandhinagar and Mumbai

Since its inception in 2009, Kalp - Seva Arogya Kendra - Gandhinagar has been offering services to approx. 100 patients per day. During the year under review, about 700-800 patients on an average benefitted every month from medical camps organized at "Kalp - Seva Arogya Kendra - Mumbai". Till date, about 13,000 patients have availed the services of these medical camps.

Construction of Police Station at Diima Village, Kiryondongo District – Uganda

A police post in Diima Village was operating in a mud house. It was located close to KPTL's project in Uganda and after carefully considering the situation, KPTL constructed a permanent police station for approx. 50 Million Uganda Shilling and handed it over to Uganda Police Force on 25th June 2019. The police station now has separate rooms for officers, toilets and furniture with proper electrical fittings. The police station was inaugurated by the High Commissioner of India to Uganda and Inspector General of Police, Uganda Police Force.

COVID-19 Relief Activities

The Company has participated in various relief activities for combating and containing the novel Corona Virus (CoVID-19) like providing essential supplies to needy and poor persons, contributing safety kits comprising protective equipments like masks, sanitizers etc. The Company provided meals to migrant workers, daily wage earners and the local community affected by the COVID19 lockdown across various locations in India. KPTL also engaged with Akshay Patra Foundation to feed around 50,000 people. The Company also contributed funds to various NGOs, Chief Minister Relief Funds, PM Cares Fund etc. to assist the society to combat and contain novel COVID-19.

Jal Shakti Abhiyan at Raipur

Inspired by the Hon'ble Prime Minister of India, Narendra Modi's impetus on water conservation, KPTL has participated in the Jal Shakti Abhiyan (JSA) at Raipur. With a focus on water conservation and water resource management, KPTL is assisting water conservation efforts and rainwater harvesting, renovating water bodies and engaging in watershed development and afforestation activities.

Supporting schools in India and Overseas

KPTL Ukraine donated computers and undertook repair work at a school in Ukraine that was affected during the Chernobyl accident. Also, a voluntary project team helps students to learn English in the school. KPTL also distributed special slates to students in a blind school in Gandhinagar, Gujarat. Besides, KPTL supported needy and orphan students at Legotlhwane Primary School, Botswana. KPTL has also helped in upgrading the school infrastructure and facilities at a school in Kamasu Koya Chiefdom in Sierra Leone.

Awards and Recognition

KPTL has received various Awards and recognitions during the year under review, some of which are elaborated hereunder:

KPTL was declared a winner at 3rd National Competition on LEAN manufacturing organized by Confederation of Indian Industry at Bengaluru.

KPTL received Special Appreciation Award at 8th Edition of Gujarat State Level Best Kaizen Competition 2019 organized by Confederation of Indian Industry (CII)

KPTL - Gandhinagar manufacturing unit, won "Grow Care India Safety Award 2019" (Gold Category) at India International Centre in New Delhi.

KPTL won Gold Category Award in Manufacturing Sector from Quality Circle Forum of India (QCFI)

KPTL won Dun & Bradstreet Infra Awards 2019 in Infrastructure Project Category

KPTL was runner's up for The 2019 IPLOCA Corporate Social Responsibility Award

KPTL received Excellence award in Case Studies of First Time Right & Pile Foundations Time Optimization on National level symposium - QCFI (Quality Circle Forum of India).

KPTL received Safety Appreciation Certificate from APTRANSCO, in recognition and appreciation of continual improvement & excellent performance in safety.

World HRD Congress 2019 recognized KPTL's Training Initiatives by conferring 'Excellence in Training & Development Award' - An Overall Award for Best Results Based Training.

PGCIL gave "Certificate of Appreciation" to KPTL for successfully executing Sipat Bilaspur Transmission Line without any time loss due to accident and maintaining improved EHS & Quality Standards.

PGCIL conferred a Certificate of Appreciation for EHS Performance to KPTL for excellent performance in Occupational Health, Safety & Environment for the period 2019-20 for Varanasi – Vindhyachal Transmission Line Project.

Leadership Team

Mr. Mofatraj P. Munot
Executive Chairman

Mr. Parag M. Munot
Promoter Director

Mr. Manish Mohnot
Managing Director & CEO

Mr. Sanjay Dalmia
Executive Director

Mr. Kamal Kishore Jain
Director (Plant Operations)

Mr. Ram Patodia
President & CFO

Mr. Gyan Prakash
President & CEO (Oil & Gas)

Mr. Rajeev Dalela
President (T&D - India & SAARC)

Mr. M A Baraiya
President (HR & Admin)

Mr. Subhasish Mukherjee
President (International Business)

Mr. Rakesh Gaur
President (Railways)

Mr. Ramesh Bhootra
President (International Business)

Mr. G L Gupta
President (Procurement & SCM)

Mr. Pawan Kant
President (Long-term Assets & PPP)

Management Discussion and Analysis (MDA)

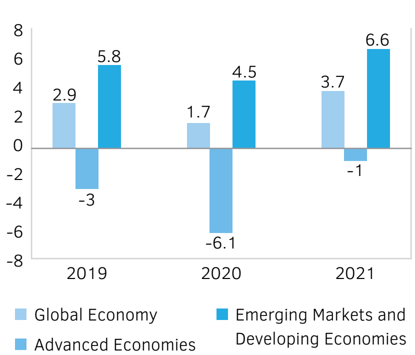
Economic Scenario

Global Economy

The global economy grew by 2.9% in 2019, recording its weakest pace since the global financial crisis of 2008. The slowdown in the global economy was primarily due to rising trade barriers and associated uncertainty weighing down business sentiment and activity globally. These developments were magnified in some advanced economies and China, leading to a structural slowdown.

Additionally, country-specific weakness in large emerging market and developing economies (EMEDs) such as Brazil, India, Mexico, and Russia added to the pressure. Worsening macroeconomic stress related to tighter financial conditions in Argentina, geopolitical tensions in Iran, and social unrest in Venezuela, Libya, and Yemen continued to stress the global economy. Firms, globally, turned cautious on long-range spending and purchase of machinery and equipment due to a weakening and uncertain economic environment. Household demand for durable goods also weakened, despite a pick-up witnessed in the second quarter of 2019. This was particularly evident with automobiles, where regulatory changes, new emission standards, and the shift to ride-shares impacted sales in several countries.

Global GDP Growth Outlook (%)



Source: World Economic Outlook, April 2020

The recent outbreak of Covid-19 has also added fuel to the current global slowdown. The pandemic is inflicting high and rising human costs worldwide and the necessary protection measures in the form of stimulus packages are severely impacting economic activity. The global economy is projected to contract sharply by –3% in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario--which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 % in 2021 as economic activity normalizes, helped by policy support.

(Source: World Economic Outlook, April 2020)

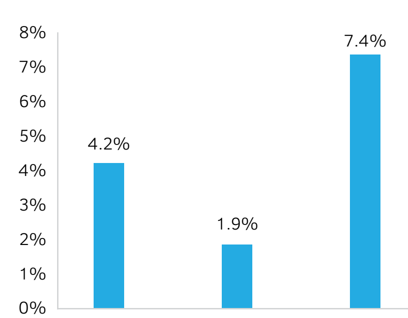
Indian Economy

The Indian economy faced multiple headwinds in FY19-20 and grew by 4.2%, as compared to 6.8% in FY18-19. Headwinds such as the Non-banking Finance Companies (NBFC) credit crisis, slow growth in rural incomes, persistent financial sector weakness, declining investment in the construction and infrastructure sector, and flattening of core sector growth led to this slowdown. Other factors like macro-economic slowdown, plummeting domestic automobile sales and a decrease in manufacturing activity resulted in lower consumption, which further added to this slowdown.

Further, the outlook of Indian economy has been altered by the recent outbreak of Covid-19. The pandemic, which led to an economy wide lockdown to contain the spread of the virus, has posed a severe challenge to economic growth. The economy is experiencing a demand-supply disruption caused by a decline in manufacturing and trade activity. The Indian economy is projected to grow by 1.9% in FY20-21, making it one of the two economies that is likely to register growth in comparison to all the other economies, which are anticipated to contract.

The Government of India (GoI) and the Reserve Bank of India is making concerted efforts to revive the economy. Monetary as well as fiscal stimulus packages have been introduced to decelerate the slowdown and revive the economy. These measures are likely to help the economy to grow in future and it is projected to revive in FY21-22 with an estimated growth of 7.4%.

India's Real GDP Growth Rate



Source: International Monetary Fund (IMF)

Management Discussion and Analysis (MDA)

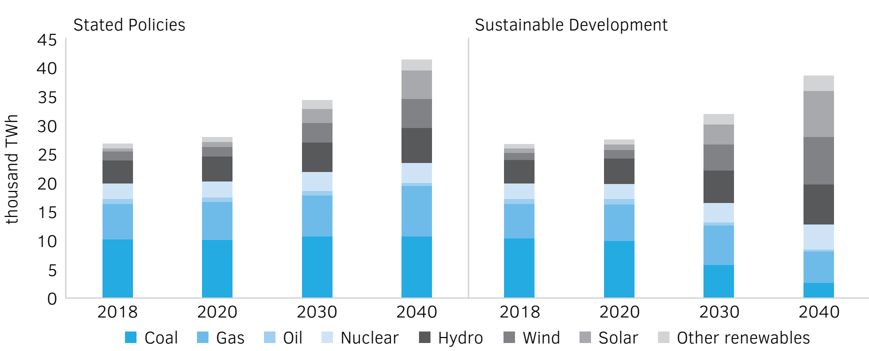
Power Transmission & Distribution Sector

The global electricity sector is undergoing an unprecedented transition. Success in the electricity sector has long been defined by a secure and reliable supply of electricity, coupled with unhindered access to regions without electricity coverage, in both developing and under developed countries. Nevertheless, in the last few years, the global consensus on the importance of reducing carbon emissions has highlighted the need to decarbonize the electricity sector, the second largest contributor of carbon emissions after transportation.

Growth in the world's population and economy, coupled with rapid urbanization is leading to substantial increase in electricity demand. Increased electrification of end-uses – such as transport, space cooling, large appliances, ICT, and others – are key contributors to rising electricity demand. The number of people without access to electricity has fallen substantially, and is now below one billion. However, despite significant progress, over 11% of the world's population still lacks access, mostly in rural areas.[1]

As per International Energy Agency (IEA) World Energy Outlook, under the Stated Policies Scenario, the global electricity demand is projected to grow at 2.1% per year, between 2018 and 2040, twice the rate of primary energy demand. This raises electricity's share in total final energy consumption from 19% in 2018 to 24% in 2040. While, 'In the Sustainable Development Scenario' electricity plays an even larger role, reaching 31% of final energy consumption.[2]

Global Electricity Demand (Thousand Terawatt-hour)



Source: IEA World Energy Outlook, 2019

Similarly, the electricity transmission market is currently undergoing a major change with countries on the lookout for better efficiencies and more suitability for introducing renewable energy. Several countries are upgrading their transmission lines to higher voltages to reduce transmission losses. Technological changes and upgrades are also being made to make the transmission system more stable in comparison to the intermittent nature of renewable energy sources. Besides, the advent of net metering for solar homes and coordinated charging of electric vehicles is pushing utilities to align their new infrastructure with the possibility of bi-directional flow of electricity. Increasing renewable power capacity has also increased the need for countries to interconnect their transmission systems, to balance generation and demand through export and import of electricity. This in turn has pushed the construction of higher capacity interconnection lines.

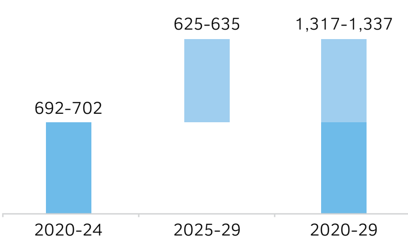
As per Global Transmission Research, globally around 1,135,394 kms of line length and around 4,890 GVA of transformer capacity is slated to be added at 100kV and above voltage levels over a 10 year period (2020-2029). Majority of the future grid expansion is driven by the need to connect upcoming generation facilities, based mainly on renewable energy resources, and improve electricity access. Regional grid integration also constitutes an important part of the future global transmission grid expansion. Cross-border links to boost regional trade, and increase energy security and stability, are planned across all continents.

Over the 10 year period (2020-2029), the global electricity transmission sector is expected to witness investments of around USD 1,317-1,337 billion. Asia is expected make over 55% of the tracked

[1] World Nuclear Association Website | [2] IEA World Energy Outlook 2019

future investments over the next decade. It is followed by Europe at 17% and by North America at 14%. Latin America, Africa and the Middle East each account for 3% to 6% of the planned investments. Majority of these investments will be on the creation of new grid infrastructure (including offshore transmission) to connect renewable energy projects. In North America and Europe, investments will also be made to replace and refurbish ageing grid infrastructure. Significant investments are also being made in grid strengthening and cross-border interconnections. Many Asian and African countries are receiving support from multilateral funding agencies to aid the development of their transmission sectors. Further regulatory and policy initiatives are being implemented in many countries to improve the investment environment in the electricity transmission sector.

Global Investment in T&D Network (USD billion)



Source: Global Transmission Research

Region-wise Investment in T&D Network (USD billion)

Region	2020-24	2025-29	Total
North America	90-100	90-100	180-200
Latin America	38	23	61
Asia Pacific	375	354	729
Europe	125	106	232
Middle East	18	18	37
Africa	46	33	79
Total	**692-702**	**625-635**	**1,317-1,337**

Source: Global Transmission Research

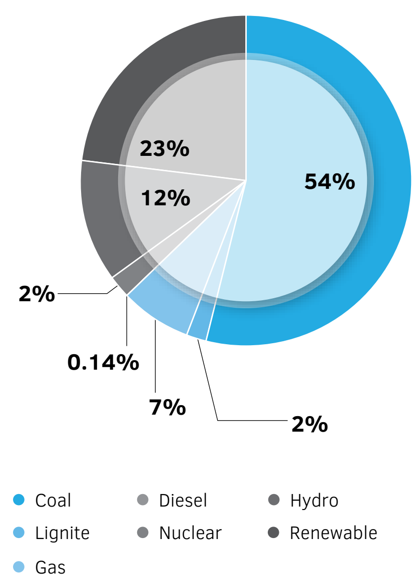
Region-wise Outlook & Opportunities

India

India's achievements in the energy sector in recent years have been outstanding. The Government of India (GoI) has focused on keeping up with strong demand growth and expanding energy access to millions of consumers every year. After years of scarcity, India's electricity system has now reached surplus power and good adequacy on account of investments in thermal and renewable capacity, including from the private sector, which accounts for around 50% of the installed power capacity.

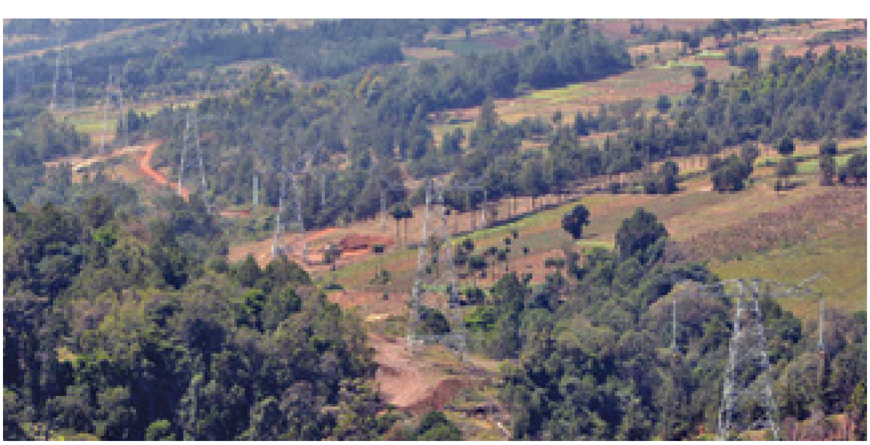
India is one of the largest electricity markets in the world. The all India installed capacity was 3,70,048 Megawatts as on 31st March 2020. Of the total installed capacity, renewable energy constitutes 86,759 Megawatts is 86,759 Megawatts, hydro power 45,699 Megawatts, nuclear power 6,780 Megawatts and thermal power 2,30,809 Megawatts.

Installed Capacity of Power in India (% Share)



Note: Data as on 31 March 2020

Source: Ministry of Power, India



India's power supply deficit stood at 0.5% at the end of March for the financial year 2019-20, and the peak power deficit stood at 0.7%, according to the data published by the Central Electricity Authority (CEA). During the same period last year, India's power supply deficit stood at 0.6%. As per the released data, the total power supplied during March 2020 was 98,404 million units (MUs), which was less than the required energy target by 421 MUs.

Management Discussion and Analysis (MDA)

Transmission & Distribution Trends & Outlook

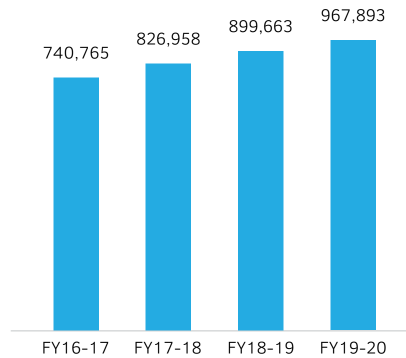
Electricity transmission segment in India has been evolving constantly due to the growing demand for power and changing energy mix, fostered by an influx of renewables. India's transmission network capacity expanded at a CAGR of 5% from 3,67,851 ckm from FY16-17 to 4,25,071 ckm by the end of March 2020 in 220 kV and above segment. Similarly, transformer capacity grew from 740,765 MVA in FY16-17 to 967,893 in FY19-20 in the 220 kV above segment.

Progress of Transmission Lines In India (Circuit kms)

At the end of	± 800 kV HVDC	± 500 kV HVDC	765 kV	400 kV	220 kV	Total
6th Plan	-	-	-	6,029	46,005	52,034
7th Plan	-	-	-	19,824	59,631	79,455
8th Plan	-	1,634		36,142	79,600	117,376
9th Plan	-	4,738	1,160	49,378	96,993	152,269
10th Plan	-	5,872	2,184	73,438	114,629	196,123
11th Plan	-	9,432	5,250	106,819	135,980	257,481
12th Plan	6,124	9,432	31,240	157,787	175,296	379,879
Plan Period (2017-22) (Up to March 2020)	**6,124**	**9,432**	**44,853**	**184,521**	**180,141**	**425,071**

Source: CEA

Transformer Capacity (MVA)



Source: CEA

Moving forward, the flow on effect of mass electrification, combined with a greater reliance on low cost but variable renewable energy, increases the demand for inter-regional transmission lines and the need for capacity enhancement of inter-regional power evacuation infrastructure. The government's plans to scale up renewable energy to 175 Gigawatts by 2022 will drive grid expansion and the private sector is also expected to play an important role in achieving this target, as competitive bidding gains momentum at both interstate and intra-state levels. While tariff based competitive bidding for projects has allowed the private sector to actively participate in the expansion of India's transmission grid in recent years, an investment of USD60-80bn will be needed in the next five years to keep pace with growing generation capacity. To make the grid smarter and robust, advanced technologies are being deployed at various levels. The strengthening of power system operations has become paramount for dealing with intermittency associated with large-scale renewable energy integration into the grid as well as the altered load profiles likely to be triggered by the government's e-mobility programme.

[3] CEA

Below are some of the key developments in the Indian T&D industry:

- **Regulatory and Policy Developments**: In August 2019, the Central Electricity Regulatory Commission (CERC) proposed several amendments to the framework for real-time market (RTM) to help mop up available cheap power in the system, at an all-India level, to meet the sudden changes in demand. It is an important development, given the large-scale integration of intermittent renewable energy into the grid and the changing demand patterns.

- **Green Energy Corridor (CEG)**: Transmission schemes of around ₹ 432 billion for renewable energy zones with a potential capacity of 66.5 GW has been approved by the central government and it is likely to be completed by 2022. These schemes will be implemented in two phases. Under Phase I, transmission projects for 28 GW of renewable capacity will be developed at an investment of ₹ 168 billion. The remaining 38.5 GW will be developed under Phase II, at an investment of ₹ 264 billion. Transmission projects under the first part of Phase I are expected to be completed by end-2020.

- **TBCB Update and Project Pipeline**: Tariff-based competitive bidding (TBCB) was introduced in 2006 to fast-track development of the country's transmission network. Forty-three transmission projects (excluding cancelled and under-litigation projects) were completed, as of August 2019, under TBCB. Empowered Committee on Transmission approved transmission projects worth ₹ 169.6 billion, in line with the recommendations of the National Committee on Transmission, in December 2018. Of these, transmission projects worth ₹ 87.08 billion for renewable energy projects in the western (10.5 GW) and northern (8.9 GW) regions will be offered through TBCB, while projects worth ₹ 27.27 billion will be developed through the regulated tariff mechanism. The remaining projects will be implemented under various upcoming schemes.

- **Private Sector Consolidation**: There has been consolidation in the private transmission space due to several mergers and acquisitions. All major power & transmission players such as Adani Transmission, Indigrid and CLP India carried out several acquisitions and deals in the private T&D space.

- **Technology Focus**: Power utilities are considering installation of high-performance conductors (HPCs), in their existing and new power lines, to augment their transmission capacity. Although considered to be two to five times more expensive than conventional conductors, HPCs could be considered economical if other associated costs and loss reductions are accounted for.

- **Strengthening Cross-border Links**: In 2019, India and Nepal agreed to set up an "energy banking" mechanism to facilitate a two-way exchange of electricity between the two countries, wherein Nepal would export its surplus power to India during the monsoon and import it during its lean period in the winter season. The agreement will be initiated with the newly constructed 400 kilovolt Dhalkebar-Muzaffarpur transmission line.

Challenges and outlook

To ensure the timely implementation of grid expansion plans, several challenges like environment and forest clearances need to be resolved. Also, securing right of way remains a key concern for all project developers, owing to the lack of harmonisation of policies and regulations across states. Projects under TBCB are offered sporadically and there is no long-term project pipeline. Robust grid planning is also required to add large scale capacity and connect millions of new consumers to the grid. The augmentation of transmission infrastructure, particularly GECs at the intra-state level, must be accelerated to meet the government's renewable energy and 'Power for All' goals. This, coupled with the implementation of power system operation reforms at the state level, will help in building a more flexible and robust grid, equipped to support the shift in generation mix and distribution loads.

Power Distribution

The success of the distribution segment depends on the deployment of advanced technologies. Government of India has taken steps to promote the use of information technology and operational technology under the Integrated Power Development Scheme, smart metering under the Smart Metering National Programme (SMNP), and smart grids under the National Smart Grid Mission (NSGM).

- **Smart Grids**: All smart grid projects sanctioned by the Ministry of Power have been completed. These projects entailed the implementation of the advanced metering infrastructure along with functionalities such as outage management system (OMS), peak load management, power quality management, distributed generation and supervisory control and data acquisition (SCADA).

- **Smart Metering**: Under the Saubhagya scheme which ended in March 2019, over 26.4 million new consumers were added to the

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distribution network in a span of 16 months, making it difficult to conduct timely metering and meter reading for such a large consumer base. Although, the government is now trying to automate the process through smart prepaid meters, making it a key priority area.

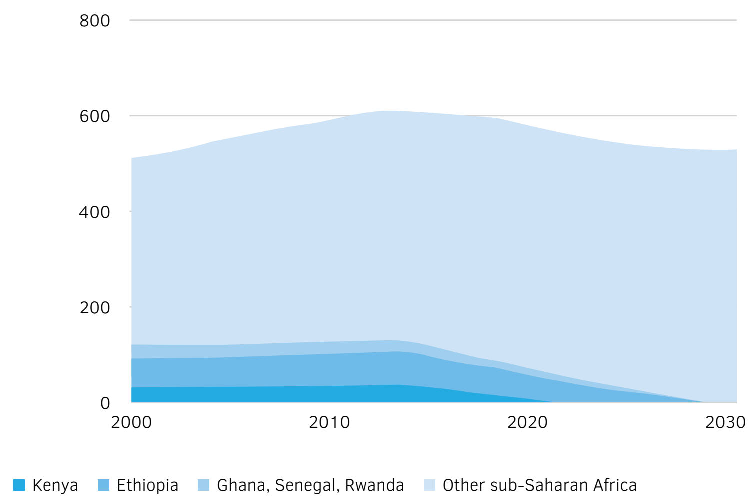
- **New Digital Tools**: Emerging technologies like Blockchain, Artificial Intelligence (AI) and Machine Learning (ML) will ensure secure management of the energy data and pave the way for sophisticated decentralised networks that manage the entire distributed energy value chain in a disintermediated and efficient manner. This includes the management of power generation and distribution, sales, billing, payments, innovative financing mechanisms, contract management, trading and incentives. Although, Blockchain applications are yet to be taken up by the power sector on a large scale, some pilots have been recently announced.

Africa

Major cities in the African continent have been experiencing rapid economic and population growth, leading to profound implications for the energy sector, both regionally and globally. There is a new wave of dynamism among African policy makers and business communities, with falling costs of key renewable technologies opening up new avenues for innovation and growth. The biggest challenge is to provide universal access to reliable, modern, affordable and sustainable energy.

There is momentum behind policies and investment plans to meet Africa's energy needs but, there are around 600 million people who still do not have access to electricity. Despite, some progress in several countries (e.g. Kenya, Ethiopia, Ghana, Senegal, Rwanda), current and planned efforts to provide modern services remain elusive. By 2030, 530 million people would still be expected to lack access to electricity.

Number of people without electricity in sub-Saharan Africa (in million)

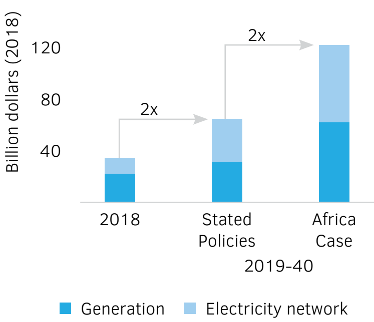


Source: IEA, Africa Energy Outlook

In Africa, demand for electricity is 700 Terawatt-hours (TWh) as of 2018, with 70% of the total accounted for in North African and South African economies. Despite this, the other sub-Saharan African countries are likely to see the fastest growth till 2040. Electricity demand more than doubles in the Stated Policies Scenario to over 1600 TWh in 2040, and reaches 2300 TWh in the Africa Case, with most of the additional demand stemming from productive uses and emerging middle- and higher-income households.

The Africa Clean Energy Corridor (ACEC) is a regional initiative to accelerate the development of renewable energy potential and cross-border trade of renewable power within the Eastern Africa Power Pool (EAPP) and Southern African Power Pool (SAPP). The initiative builds upon the strong political commitment of African leaders to strengthen regional institutions and transmission infrastructure, forming large competitive markets and lowering costs across production sectors. By creating a larger regional electricity market, the ACEC could attract investments to meet 40–50% of power needs in the EAPP and SAPP regions by 2030. The ACEC requires up to USD 25 billion per year of investments in power generation until 2030, with an additional USD 15 billion per year for grid infrastructure. Combined efforts will diversify resource availability, improve energy security and foster investment opportunities and job growth. Scaling up renewable energy also offers a comprehensive opportunity to avoid carbon-intensive infrastructure lock-ins and helps to leapfrog towards a low-carbon future. The region needs a significant investment push in the electricity sector, for generation and grid set up, as it currently ranks among the lowest in the world. Despite being home to around 17% of the world's population, the continent accounts for just 4% of global power supply investment. To achieve reliable electricity supply for all, the continent would require an almost four-fold increase, to around USD120 billion a year, through 2040. All of this is possible if policy and regulatory measures are put in place to improve the financial and operational efficiency of utilities and to facilitate a more effective use of public funds to catalyse private capital.

Required Average Annual Power Sector Investment in Africa (USD Billion)



Source: IEA, Africa Energy Outlook

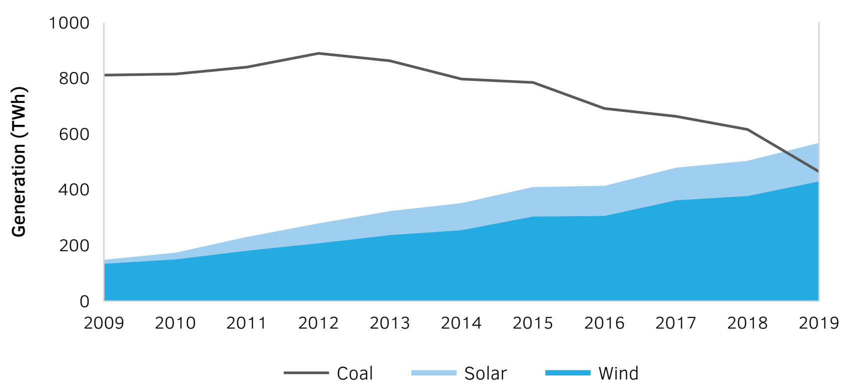
Europe

In 2018 and 2019, the European Union began implementing the Clean Energy for all Europeans package that consists of eight legislative acts, including changes to the electricity market to better facilitate integration of intermittent renewable energy sources, cross-border cooperation, orientation of electricity system regulations toward market competition, and granting customers greater choice in the market. The Clean Energy Package sets a legal framework to facilitate the achievement of energy and climate targets for 2030.

As part of its overarching goals to achieve deep decarbonization, the European Union sets renewable energy targets as a share of total energy consumption. In 2009, the European Union mandated that 20% of gross final energy consumption should come from renewable energy by 2020. The member states are assigned targets and have developed national action plans to meet these goals. Sweden has the highest target, at 49%, and Malta has the lowest, at 10%. In 2017, the share of renewables in gross final energy consumption across the European Union reached 17.5%, and 11 member states reached or exceeded their individual targets.

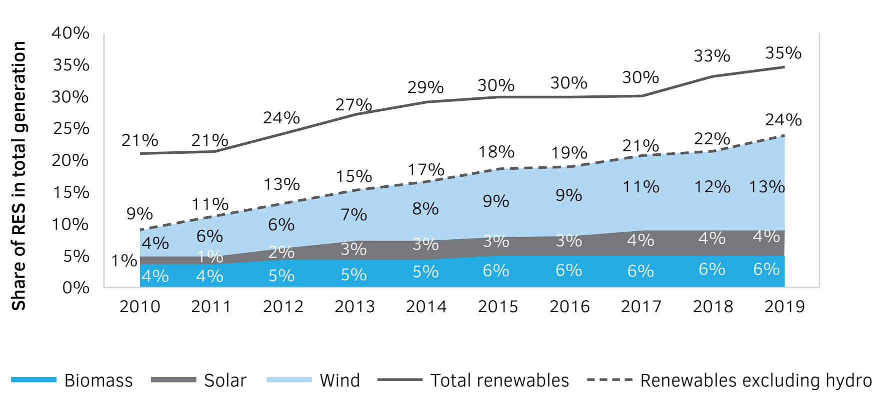
The share of electricity in final energy demand continues to grow across Europe, displacing petrol and gas. Wind and solar provided 18% (569 TWh) of electricity in the EU region and coal fell to just 15% (469 TWh) in 2019. The EU generated twice as much electricity from coal as it did from wind and solar only 5 years ago.

Source-wise Electricity Generation in EU



Source: The European Power Sector Report, 2019

Share of Renewable Energy in EU 28



Source: The European Power Report, 2019

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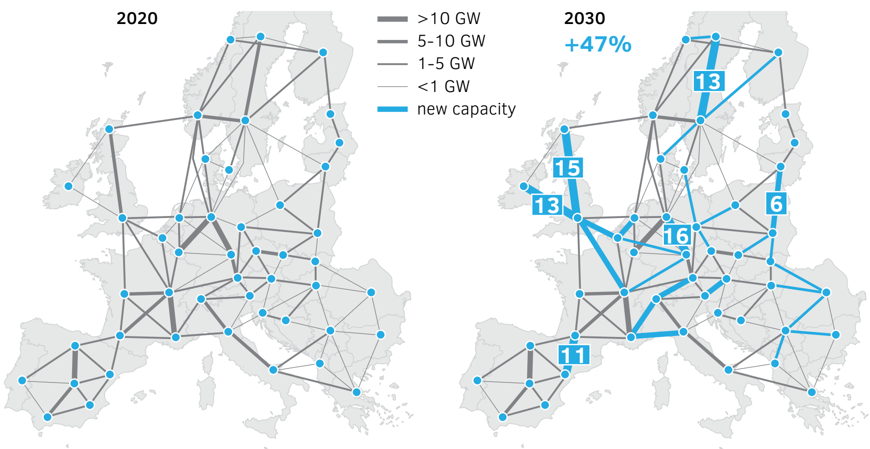
A more aggressive wind and solar deployment envisions the renewable share of electricity reaching 50% of total electricity generation by 2030, with variable renewable energy amounting to 29% of the share. This would include a build out in total installed renewable power generation capacity from 266 GW in 2010 to 608 GW in the reference case and 814 GW in the more aggressive case.

The transmission and distribution investment is set to grow on account of increasing electricity demand and favourable government regulations toward development of smart grid networks. Ongoing investments towards the refurbishment and revamping of existing T&D infrastructure will further boost industry growth. In addition, growing integration of renewable energy sources along with the emphasis on developing sustainable grid structure will propel product adoption in the region.

Investments toward expansion of extra high tension and ultra-high-tension transmission infrastructure to effectively transmit power over long distance will drive the power transmission lines & towers market in Europe. Higher transmission efficiency and minimal line losses are some of the paramount features favouring the technology adoption over the forecast timeframe. Increasing investments to effectively transmit electricity from various high capacity renewable facilities will drive the market further.

Additional investments in transmission grids, including off-shore wind connections, of EUR 68 billion for on-track cases are projected from 2020 to 2030, to enable the construction of around 109 GW of additional transmission capacity – a 50% increase from the planned network in 2020 and a near doubling of today's existing capacity.

European Grid Network



Source: The European Power Report, 2019

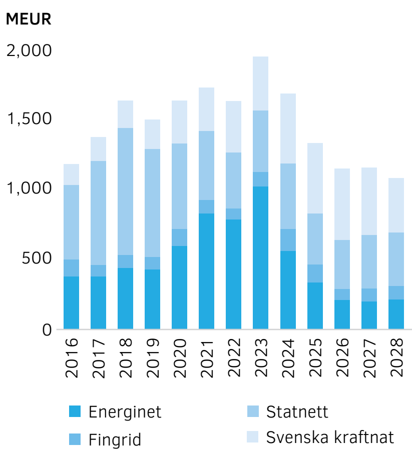
Nordic Market

The Nordic power system is likely to undergo major changes by 2040. Consumption is increasing, mainly as a result of new data centres, electrification of transport, heating and different types of industry processes. Additionally, the growth in renewable power production will continue, largely in the form of wind power but, also aided by solar power. The total capacity of controllable power production will decrease, including nuclear power and other types of thermal production. As a result, less controllable and highly weather-dependent production will become dominant by 2040. All the Nordic countries also experience local adequacy issues with regard to power supply in cities due to the combination of an aging grid, consumption growth and closure of local generation plants.

The Nordic Transmission System Operators (TSOs) have large portfolios of ongoing and planned grid development projects. In total, the Nordic TSOs plan to invest more than EUR 15 billion until 2028. This increases the overall transmission capacity, reduces bottlenecks in the system and makes it possible to integrate considerable amounts of new renewable production, primarily wind power. The regional drivers for grid development have led to a very substantial increase in grid investments carried out by the Nordic TSOs.[6]

[6] Nordic Grid Development Plan 2019

Total investments by the Nordic TSOs

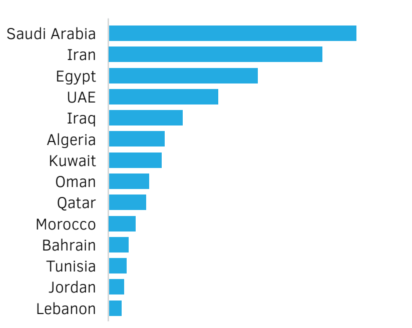


Source: Nordic Grid Development Plan 2019

MENA Region

The power sector will continue to evolve throughout MENA, primarily driven by the need to meet demand growth and the push by regional governments to develop the non-oil sector as they continue to pursue their economic diversification agenda. Between 2019 and 2023, APICORP estimates that investments in the MENA energy sector could reach USD 1 trillion. The power sector accounts for the largest share at 36%, spurred by growing electricity demand and greater momentum for renewable energy.

Required capacity in the MENA region 2023 (GW)



Source: APICORP's Energy Investment Outlook, 2019

Electricity consumption continues to grow rapidly despite various reform efforts. The International Monetary Fund (IMF) recently revised down its outlook for MENA GDP growth, but the latter is still expected to increase from 1.3% in 2019 to 2.8% in 2023. Over the same period, population growth rates are expected to remain healthy, averaging 1.8%. To meet rising consumption and some pent-up demand, APICORP estimates that MENA power capacity needs to expand at an average of 4% each year between 2019 and 2023, which corresponds to additional capacity of 88 GW. This would require USD 142 billion of investment in generation capacity and a further USD 68 billion for transmission and distribution (T&D). Governments have been accelerating their investment plans and APICORP estimates that 74 GW of capacity is set for commissioning by 2023.

Countries across the MENA region, especially the six-member economic bloc of GCC, have invested heavily in electricity generation projects as they push to diversify their economies away from oil. Saudi Arabia and the UAE, the two biggest Arab economies, are pursuing ambitious power generation targets to meet future demand. The region has also opened up power generation projects for private sector investment, which helps reduce governments' burden of financing such schemes.

Planned projects account for more than a quarter of the total energy investment of USD 257 billion as countries in the region undergo various forms of energy transitions (renewables and nuclear introduction, demand-side measures, smart grids and efficiency standards and price reforms).

Renewable energy has taken centre stage in the MENA region as its oil-rich economies move away from using hydrocarbons for electricity production to leave more oil for export.

The UAE, which aims to generate 27% of its energy from clean sources by 2021, has taken the lead in the Arabian Gulf with several renewable energy projects currently underway. In 2017, the government announced its ambitious plans to cut carbon dioxide emissions by 70% by 2050, increase clean energy use by 50% and improve energy efficiency by 40% by the middle of this century, which is estimated to result in savings of Dh700bn. APICORP projects that renewable energy will account for 34% of total power sector investments across the Mena region over the next five years.

While countries in MENA are pushing for investments in the power sector, several challenges and constraints will prove pivotal in the medium term. Firstly, oil-exporting countries – mainly in the GCC – are reducing expenditure but have also announced intended power investment plans. Meanwhile, other countries with lower fiscal buffers and competing pressures on their revenues will continue to face political and economic challenges in executing their capacity expansion programmes. Secondly, the financing of projects continue to be challenging despite some recently successful efforts to attract foreign investment. Political and economic concerns will make investors cautious. However, this type of an environment also creates

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opportunities for private finance and FDI, as regional players are forced to seek external finance. Thirdly, many countries are accelerating their price reform plans. While these programmes aim to reduce the fiscal burden on governments, they will also put downward pressure on power demand. Already, electricity demand growth in Saudi Arabia has been dramatically revised downwards to 2% for the next five years, following years of growth rates of over 6%. We expect this trend to continue as tariffs increase considerably. Arab governments are continuing to prioritise critical investments in their power sectors. We estimate that in the period between 2019 and 2023, the MENA region will need to invest USD 209 billion in the power sector. But success in implementing key power projects and attracting necessary investment will vary across the region.

Southeast Asia

Southeast Asia is a very diverse & dynamic region and is home to nearly one-tenth of the world's population, making this region prominent for shaping many aspects of the global economic and energy sector. Policy makers across the region have been intensifying their efforts to ensure a secure, affordable and more sustainable pathway for the energy sector. This includes action to facilitate investment in fuel & power supply and infrastructure, while also focusing on efficiency. Indications like these are encouraging but there are also some warning signs like rising fuel demand, especially for oil, which has far outpaced production. The region as a whole is expected to become a net importer of fossil fuels for the first time.

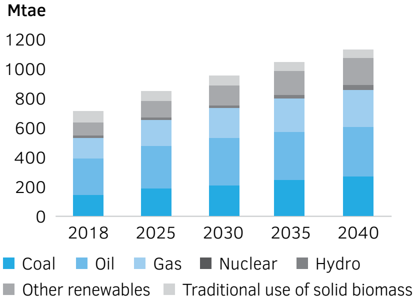
Since 2000, the overall energy demand has grown by more than 80% in 2018 and a great share of this demand has been met by doubling the use of fossil fuel. Oil has become the largest element in the regional energy mix and coal, which is largely used for power generation has become the fastest growing. This has supported the region's development and industrial growth, but has also made air pollution a major risk for public health and driven up energy-related carbon dioxide (CO_2) emissions.

There is considerable potential for renewable energy in Southeast Asia but it meets only around 15% of the region's energy demand. In 2018, hydropower output had quadrupled since 2000 and the modern use of bioenergy in heating and transport has also increased rapidly. Despite falling costs, solar photovoltaics (PV) and wind contribution remains less. But some markets are now putting in place frameworks to better support their deployment.

The electricity sector in the region is in a very dynamic phase of development, both for supply and demand. Coal has taken a prominent place in power sector planning because of relatively low generation costs and indigenous supply. In addition to Coal, Natural gas-fired plants, are also set to maintain a strong foothold in Southeast Asia on account of domestic supply as well as imported liquefied natural gas. However, the decreasing cost of renewables and concerns over emissions & pollution are starting to alter the balance of future additions to the power mix.

On the demand side, consumption of electricity in Southeast Asia is expected to double by 2040, with an annual rate of 4%, which is twice as fast as the rest of the world. The share of electricity in final energy consumption was 18% in 2018 but is expected to rise rapidly to 26% by 2040. Space cooling is anticipated to be one of the fastest growing uses of electricity by 2040, propelled by rising incomes and high cooling needs.

Primary energy demand in Southeast Asia between 2018-2040



Source: IEA

Rising demand for electricity will require significant expansion of power generation and transmission infrastructure. The IEA estimated that around USD 2.7 trillion of investment would be needed to supply Southeast Asia's projected energy needs between then and 2040.

Upcoming policy revisions provide opportunities for countries in the region to benefit from falling price of renewables, though it is far from certain whether they will do so. National energy plans are currently being updated in Thailand, Vietnam, Cambodia, Myanmar and Laos. Most other ASEAN members will be reviewing their plans after 2020. There are some signs that ASEAN countries are responding to global energy market shifts. Thailand has recently raised its renewable energy target from 20% to 30% following some government successes in encouraging solar investment. Cambodia, Indonesia, Malaysia and the Philippines are moving from feed-in-tariffs to competitive auctions for renewable energy projects.

The IEA has made four recommendations to help make the energy sector in Southeast Asia more sustainable:

- Tripling the share of renewables in the energy mix to 70% by 2040
- Improving energy efficiency, especially in fast-growing areas such as cooling and road transport, to tackle concerns about rising energy costs and security
- Phasing out fossil fuel subsidies
- Implementing new technologies such as carbon capture, utilization and storage.

South Asian Association for Regional Cooperation (SAARC)

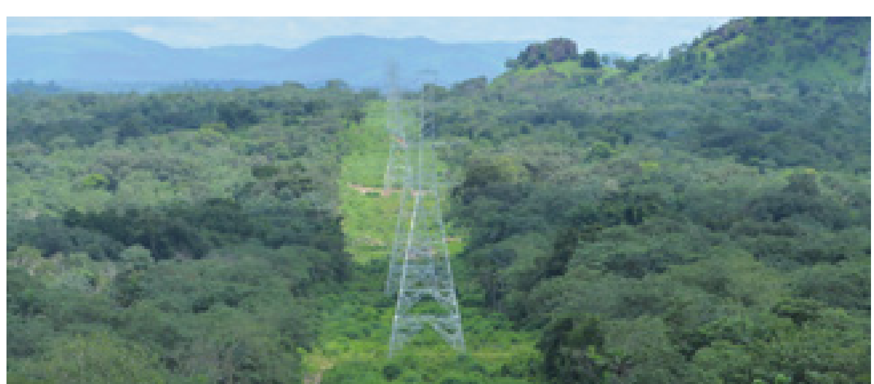
The energy demand in the SAARC region is expected to grow further with both domestic consumers and industry sectors as main contributors. Significant challenges faced by the energy sector in the South Asia region include energy deficits, huge dependence on fossil fuel and inadequate energy infrastructure. Intra-regional energy trade is needed to enhance the energy supply within the region and to meet the energy needs of the people. The existing intra-regional energy trades among SAARC Member States are primarily limited to electricity trade between India - Bhutan and India - Nepal for hydropower generation. The Intra-regional trade among the SAARC Member States need to be enhanced with a diverse energy mix to cater to the growing energy demand in the region. As much as 8,014 million units of electricity was supplied to Nepal, Bangladesh and Myanmar in FY19-20 (till January 2020), recording a growth of 18.6%. The Central Electricity Authority (CEA) has already framed the draft procedural guidelines for firms to participate in cross-border electricity trade, a move that could open up a potential market with an additional 5-6 billion units of electricity annually. Apart from India, the following SAARC countries present enormous EPC opportunities:

Bangladesh

In order to meet the increasing power demand in the country, the government has executed a number of programmes. However, around 22% of Bangladesh's population does not have access to electricity. The government envisioned a total of USD 216 billion investment in three segments of the power sector—generation, transmission and distribution—from 2017 to 2041. Of this, it requires USD 150 billion for generation, USD 35 billion for transmission and USD 31 billion for distribution infrastructures.[7]

Afghanistan

Afghanistan intends to strengthen and expand its transmission infrastructure with an emphasis on the construction of 220 kV and 500 kV transmission lines. The primary aim for grid expansion is to increase access to electricity for households, strengthen grid capacity to facilitate cross-border power exchanges and connect new generation facilities. Based on the projects under development, around 6,000 kms of new transmission lines and 2,850 MVA of transformer capacity are expected to be added to Afghanistan's grid by 2025. These projects entail an investment of around USD 2.2 billion. A significant portion of the investment requirement is being met by donor agencies such as the United States Agency for International Development (USAID), World Bank, ADB, etc.[8]



[7] www.nuclearasia.com | [8] www.globaltransmission.info

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Sri Lanka

The country's power sector has made commendable progress in several areas in the last 10 years. Some of its achievements include near 100% electrification, low transmission & distribution losses and meeting increased electricity demand with new power generation. To meet the projected demand for electricity in 2026, Sri Lanka will need to mobilize capital investments of about USD 5.0 billion in generation, USD 1.1 billion in transmission, USD 229 million in distribution. Including contingencies of about USD 102 million, it is estimated that total cumulative funds of about USD 7 billion will be needed up to 2026.[9]

Nepal

The electricity sector is one of the most strategically important areas of Nepal's economy for two reasons. First, the lack of adequate electricity is a barrier to higher economic growth, and increasing access to electricity has the potential to yield significant economic dividends. Second, Nepal's vast hydropower potential creates an opportunity for the country to earn revenue by exporting power to the South Asia region. The Government of Nepal (GoN) has set an ambitious target of installing 3 gigawatts (GW) of generation capacity in three years, 5 GW in five years, and 15 GW in 10 years. A two-fold to four-fold increase in investments is needed to meet the projected demand in the country and use the sector's export potential. Electricity sector investments will need to accelerate substantially to an average of USD 1.3-2.1 billion annually between 2019 and 2040.[10]

Latin America

The energy market in Latin America has changed dramatically in the past few years. Large countries like Brazil, Mexico, Chile and Argentina have restructured their energy markets as they have faced severe power deficits. Soon, they pushed aggressively for reforms, opened up their energy sectors, built renewable energy capacities to reduce dependence on fossil fuels and made serious efforts to lower their carbon footprint.

Installed capacity in Latin America is expected to increase at a CAGR of 7% between 2018 and 2021 to reach 364 GW. Non-conventional renewables segment (wind and solar) has registered the fastest growth and is anticipated to reach 8% of the total capacity by 2021.[11]The most promising markets for non-conventional renewables in Latin America are Brazil, Chile and Argentina, despite weak economic performances.

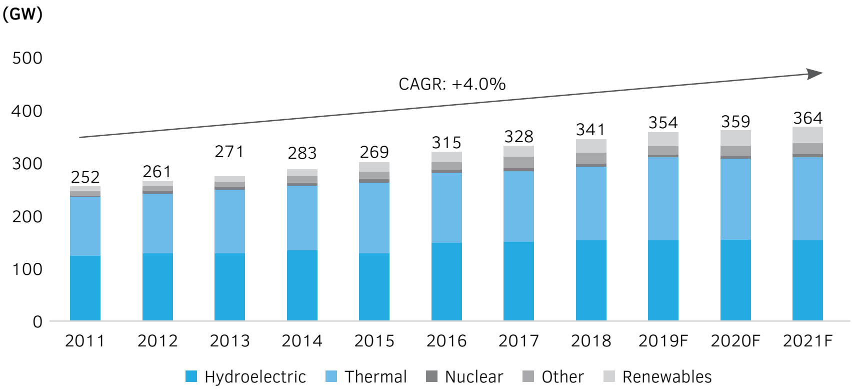
Fitch forecasts total installed capacity will increase to 364GW in 2021, representing a CAGR of 4%, with most of the growth coming from Argentina, Brazil, Mexico and Peru. Fitch estimates renewables will comprise 8% of total installed capacity in 2021. This coupled with hydroelectric, which is expected to be 155GW in 2021, will represent 51% of total installed capacity for the countries reviewed.

The expansion of infrastructure supporting power transmission and distribution has been shaped by a number of key features: the large surfaces that need to be covered (For example, the power grid in Brazil alone has a coverage area equivalent to the whole European network), the geophysical challenges (For example the Andes mountain range and the Amazon) and the large distances between electricity demand and supply centres (For example hydropower stations).

[9]World Bank Report on Sri Lanka Energy InfraSAP | [10]World Bank Report on NEPAL Energy Infrastructure Sector Assessment

[11]www.bnamericas.com

Installed Capacity in Latin America



Source: Latin American Power Overview – Fitch Report

Country Highlights – Major Markets for Power Transmission

Brazil

Brazil is the largest electricity market in Latin America. Brazil generates and distributes more electricity (to over 79 million residential, commercial, and industrial consumers) than all the power produced by its South American neighbours combined. Electricity load growth in Brazil is about 5% per year, so the country must integrate about 4 GW of new generation power capacity every year to keep up with the load growth. According to Ministry of Mines and Energy (MME), electricity demand is expected to increase at 4.2% per year until 2024, which will demand the addition of 79 GW of installed total generation capacity (41 GW already contracted), 70,000 kms of transmission lines and 163 GVA in substations. To achieve this plan, an investment of around USD 142 billion will be required[12].

Brazil has a country-wide interconnected grid of 130,000 kms of high voltage transmission lines. Fifty percent of the power transmission companies in Brazil are privately-owned. International groups are actively growing their presence in this segment by winning several auctions for new transmission lines.

Mexico

Mexico opened up its electricity sector to private investment. This initiative, known as orma Energética, aimed to attract private investment for expanding and modernizing the electricity infrastructure and increasing efficiency. The reform led to a transformation in the power sector. Private sector companies now own 38,386 MW of operating capacity in Mexico, 43% of the country's 89,259 MW of total installed base, according to S&P Global Market Intelligence data. Private developers account for 30,554 MW of planned capacity, more than double the volume of planned public-sector generation projects. Renewables make up the majority of planned new generation resources. More than 21,384 MW of renewable capacity is under development, including 11,641 MW of solar and 6,435 MW of wind, according to Market Intelligence data. Based on CENACE's planning scenarios mentioned in PRODESEN 2017-31, power consumption in the country is projected to grow at an annual average rate of 2.9% during the 2017-31 period.

[12] www.export.gov

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To cater to this demand, the government plans to invest about MXN 2,040 billion over the next 15 years, to expand the power network. Of the total planned investment, MXN 1,655 billion will be spent on generation projects, MXN 219 billion on transmission projects, and MXN 165 billion on distribution projects. Majority of the investments across the value chain are aimed at developing, extending and modernising the entire electricity network.

Chile

Chile is emerging as an attractive destination for investment in renewable energy (RE) given its vast untapped potential and clear government support to harness it. The rising demand for energy to support the steadily growing economy and the policy objective of reducing expensive energy imports are driving the development of clean energy projects in the country. Chile is endowed with ample renewable resources.

Chile has already formulated extensive plans for expanding its electricity transmission grid. According to Global Transmission Research estimates, the country plans to add more than 6,200 kms of transmission lines and 24,700 MVA of transformer capacity over the next decade, requiring an investment of more than USD 7.5 billion. This includes the recently proposed Propuesta de Expansión del Sistema de Transmisión 2018 of Comisión Nacional de Energía (CNE), which incorporates the grid requirements for integrating large-scale solar, wind and hydropower capacity. The CNE 2018 expansion plan includes 10 national-level projects with a total investment requirement of USD 1,465 million and 38 zonal projects with a total investment requirement of USD 213 million. [13]

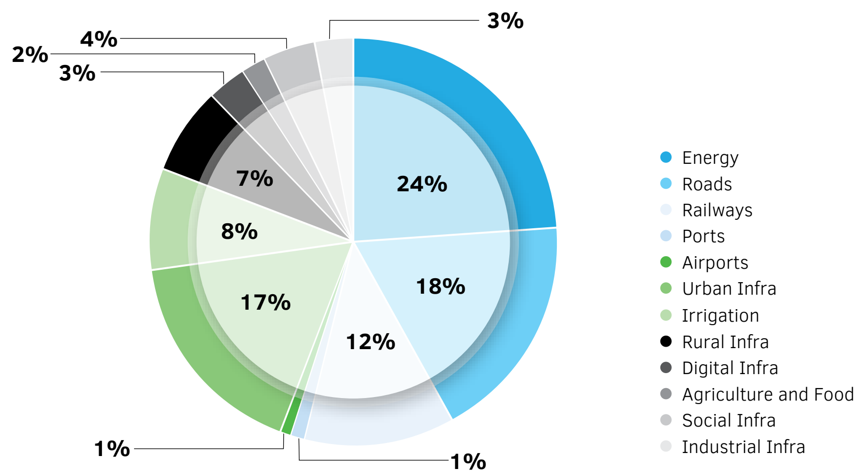
Civil Construction and Infrastructure Industry in India

Indian Infrastructure is likely to witness a massive increase in investment with the target of ₹ 100 trillion to be spent over the next five years (FY2020-FY2025). At a time when the overall economic growth is slowing, increasing investment in infrastructure can be a trigger for boosting growth. The construction sector is likely to be a major beneficiary of this increased investment. Typically, infrastructure projects have a construction intensity of 60-80%, which would result in order inflows of ₹ 60 trillion to the construction sector over the next five years.

The Final Report of NIP Task Force is projecting total infrastructure investment of ₹ 111 lakhs Crore during the period FY 2020-25. Out of the total expected capital expenditure of ₹ 111 lakhs Crore, projects worth ₹ 44 lakhs Crore (40% of NIP) are under implementation, projects worth ₹ 33 lakhs Crore (30%) are at conceptual stage and projects worth ₹ 22 lakhs Crore (20%) are under development. Sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) amount to around 71% of the projected infrastructure investments in India. The Centre (39%) and States (40%) are expected to have almost equal share in implementing the NIP in India, followed by the private sector (21%).

[13] www.globaltransmission.info

Sectoral Allocation and Financing of NIP (₹ Trillion)



Source: NIP Report of the Task Force, 2020

The energy sector will also get major allocation in investments towards power, renewable, and oil & gas sectors. In the oil & gas sector, major investments will be targeted towards gas infrastructure. In the power generation segment, renewable and hydro power are likely to witness large investments while the transmission sector infrastructure would also require an investment to match the growing power demand. In total, the energy sector is expected to witness about ₹ 24.6 trillion of investment over the next five years with major investments coming from public-sector enterprises and private players.

Urban Infrastructure and housing sectors are also likely to experience increased capital expenditure. There is a huge investment requirement in urban infrastructure, in areas such as public transport, water supply, sanitation, waste management, urban roads etc. Metro rail infrastructure itself is likely to require ₹ 3 trillion over the next five years. Similarly, in the housing segment, the Housing for All scheme and the affordable housing projects are likely to see major investments with incentives, including those under the PMAY scheme.

Railways

Indian Railways (IR), with a route length network spread over 1,23,236 kms, is one of the largest rail networks in the world. IR has had around 13,452 passenger trains and 9,141 freight trains from 7,349 stations, plying 23 million travellers and 3 million tonnes (MT) of freight daily in FY2018-19. Hence, IR is called the lifeline of the nation. In cognizance of the railways' capability of being the economy's growth engine, the Government of India has accelerated rail infrastructure programmes and has launched new initiatives to transform the sector. The government has been continuously increasing capital outlay, amounting to ₹1,099 Crore in FY17, ₹1,200 Crore in FY18, ₹1,485 Crore in FY19 and ₹1,580 Crore in FY20. Capex of Indian Railways for FY21 has been pegged at an all-time high of ₹1,610 Crore.

Notably, the increase in capital outlay in recent years is also accompanied by multipronged initiatives, including capacity augmentation, safety, technology & infrastructure upgradation, improvement in passenger services, energy efficiency projects and research & development. IR has chalked out aggressive plans for infrastructure spends, to sufficiently ramp up its capacity and be a preferred mode of transportation. To this end, the government envisages investment of ₹ 50 lakhs Crore by 2030 to make it the world's best railway.

IR provides many opportunities over the near to medium term for EPC companies. Some of the major opportunities are discussed below:

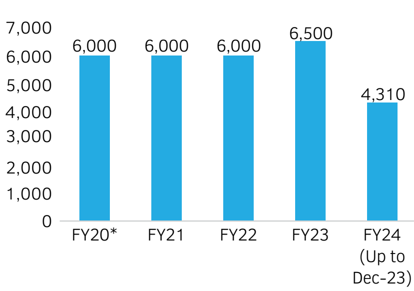
Management Discussion and Analysis (MDA)

Railway Electrification:

As on 1st November 2019, 37,237 route kilometres of rail lines have been commissioned on electric traction, which is 57.91% of the total broad gauge network of Indian Railways. Indian Railways has also prepared an action plan to electrify the remaining broad gauge (BG) routes.

The government has set a target to completely electrify Indian Railway tracks in the next 4 years. Railways have also taken several steps to expedite electrification of railway lines in the country. Some of them include, awarding of Engineering Procurement and Construction (EPC) contracts, better project monitoring mechanism, delegating more power to field units for the award of contracts/sanction of estimates and close monitoring at the highest level.

Railway Electrification Target (Route Kilometres)



*2,454 kms achieved upto 01/01/2020

Source: PIB, Ministry of Railways

Network Expansion & Gauge Conversion:

At present, 498 Railway projects including 188 New Lines, 55 Gauge Conversion and 255 Doubling Projects are in different stages of execution/ planning/sanction. The total length of these projects is 49,069 kms, being built at an expenditure of ₹ 6.75 lakhs Crore. These projects include: -

1. 188 New Line Projects of 21,295 kms length, costing ₹ 3.87 lakhs Crore, out of which, commissioning of 2,622 kms has been achieved and expenditure of ₹ 85,536 Crore incurred up to March, 2019.

2. 55 Gauge Conversion Projects of 7,275 kms, costing ₹ 56,135 Crore, out of which, commissioning of 3,573 kms has been achieved and expenditure of ₹ 19,640 Crore incurred up to March, 2019.

3. 255 Doubling Projects of 20,500 kms length, costing ₹ 2.32 lakhs Crore, out of which, commissioning of 2,784 kms has been achieved and expenditure of ₹ 48,342 Crore incurred up to March, 2019.

The average annual expenditure in New line/Gauge Conversion/Doubling Projects in FY 2009-14 was ₹ 11,527 Crore, which increased to ₹ 26,022 Crore, during FY 2014-19, which is 126% more than the average for FY 2009-14. The target for new lines, gauge conversion and doubling/tripling for FY 2020-21 is 3750 Route kms, compared to 3150 Route kms in FY 2019-20. In addition, the Budget FY 2020-21 has proposed a Gross Budgetary Allocation of ₹ 6,549 Crore for Northeast Frontier Railway (NFR), which includes ₹ 2,597 Crore for construction of new Broad Gauge (BG) lines.

Station Re-development Program

Ministry of Railways have planned for re-development of railway stations through Indian Railway Stations Development Corporation Limited (IRSDC), Rail Land Development Authority (RLDA) and other Central Government agencies. All major stations under Indian Railways have been entrusted to these agencies for carrying out techno-economic feasibility studies. Based on the outcome of the feasibility studies, redevelopment plans will be executed in phases. In the first phase, 23 railway stations were selected for redevelopment.

Indian Railways plans to redevelop 600 stations, entailing an investment of about ₹ 1 lakh Crore. Initial progress on this front has been slow due to muted response by industry players for the proposed PPP model. Certain changes, introduced recently, are expected to provide a fillip to development plans. These changes include appointment of the nodal agency for station redevelopment (Indian Railway Stations Development Corporation or IRSDC), longer lease periods of up to 99 years for developers, contracts for multiple sub-leases, allowing residential development and simplifying bidding procedures. IRSDC is planning to tap investment from private equity investors and pension funds for the initial pool of 10 stations, totalling to about ₹ 2,500 – 3,000 Crore. Industry players will also have EPC opportunities for station redevelopment projects.

Semi Speed & High-Speed Rail

To address existing issues, meet organically growing demand and fulfil mobility requirements of the future to unlock the NCR's economic development potential, the need to develop the Regional Rapid Transit System (RRTS) was identified. The National Capital Region Planning Board, a statutory body under the Government of India, in its Functional Plan on Transport for NCR-2032, identified eight corridors for constructing high-speed RRTS by 2032. Out of these, three corridors were strategically prioritised for implementation in Phase 1. The first project i.e. Delhi-Ghaziabad-Meerut was awarded in 2019 with a project overlay of ₹ 32,598 Crore.

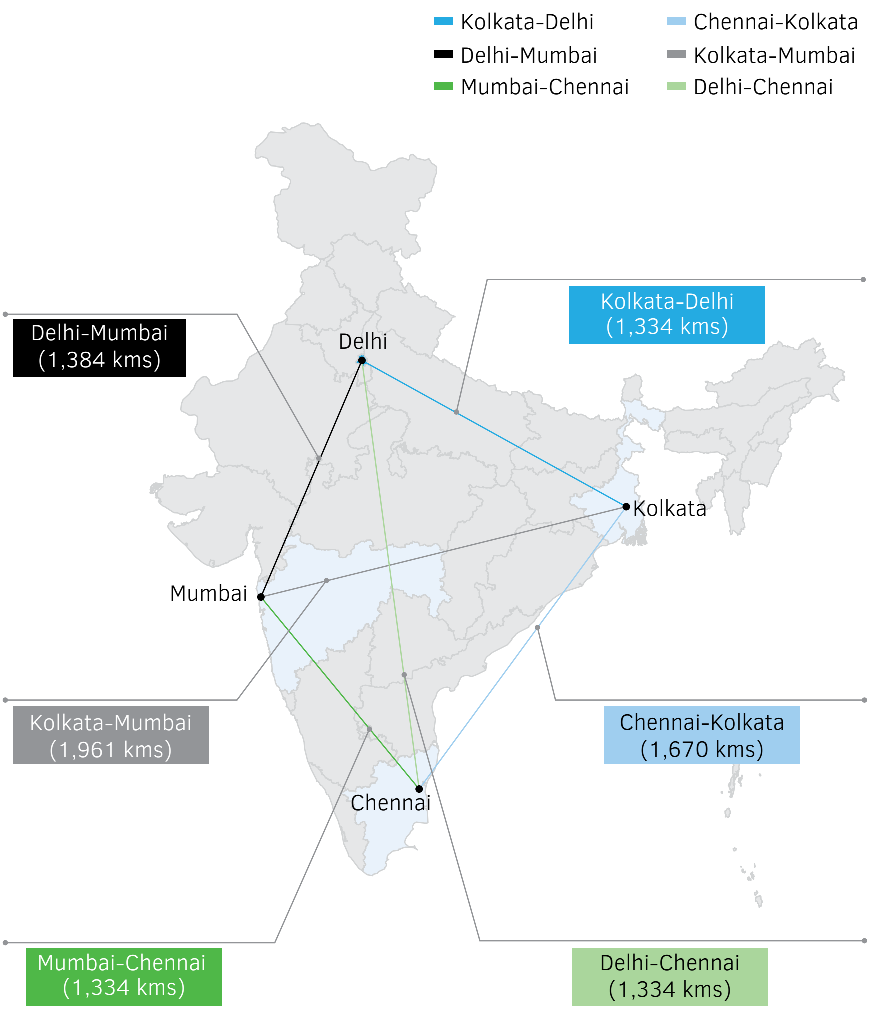
Proposed RRTS Corridors and Prioritized Corridors

Sr. No.	Corridor
	Phase -I
1	Delhi-Sonipat-Panipat: 111km
2	Delhi-Ghaziabad-Meerut: 90km
3	Delhi-Gurgaon-Rewari-Alwar: 180km
	Phase -II
4	Delhi-Faridabad-Ballabgarh-Palwal
5	Ghaziabad-Khurja
6	Delhi-Bahadurgarh-Rohtak
7	Ghaziabad-Hapur
8	Delhi-Shahadra-Baraut

To modernise rail services in India, the High-Speed Rail (HSR) is the most ambitious project launched by Indian Railways. Aiming to make the ₹ 1.08-trillion Mumbai-Ahmedabad bullet train project operational by December 2023, the National High-Speed Rail Corporation Ltd (NHSRCL) has fast tracked pre-construction work for the 508-kms-long High-Speed Rail (HSR) line. In addition, six more corridors spanning over 10,000 kms and covering portions of the Diamond Quadrilateral are being explored. Feasibility studies of four corridors including Delhi-Mumbai, Mumbai-Chennai, Delhi-Kolkata and Delhi-Chennai are underway.

Management Discussion and Analysis (MDA)

Planned HSR Network in India Other Than Mumbai-Ahmedabad



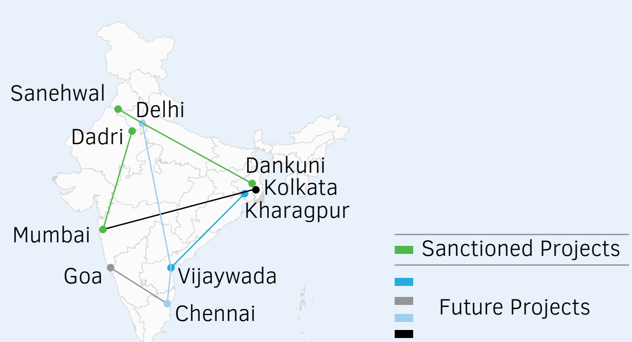
Source: HSRO, UITP (Union Internationale des Transports Publics)[28], news articles[29]

Dedicated Freight Corridor (DFC)

Among the projects for capacity augmentation, the long-awaited eastern and western DFCs are expected to be commissioned in the near future and are regarded as a game-changer in the freight transport segment. The Eastern Dedicated Freight Corridor (EDFC) spans from Ludhiana to Dankuni (1318 kms from Ludhiana to Sonnagar and 538 kms from Sonnagar to Dankuni) and the Western Dedicated Freight Corridor (WDFC) will operate between Jawaharlal Nehru Port Terminal (JNPT) and Dadri (1504 kms). While WDFC passes through the states of Uttar Pradesh, Haryana, Rajasthan, Gujarat and Maharashtra, EDFC covers Punjab, Haryana, Uttar Pradesh, Bihar, Jharkhand and West Bengal. By 2022, both corridors are targeted to be commissioned in phases.

Along with that, the Dedicated Freight Corridor Corporation of India (DFCCIL) has proposed the development of four more corridors, largely spread across the Golden Quadrilateral. The Ministry of Railways has sought Cabinet approval for the new DFCs – East-West Corridor, North-South Corridor and East Coast Corridor. These three proposed DFCs, covering a length of 5,769 kms, will require a capital investment of approximately ₹ 3,000 billion.

Sanctioned and Planned DFCs



Corridor	Locations	Distance
Eastern Corridor	Sanewahal to Dankuni	1,856 kms
Western Corridor	Dadri to Mumbai	1,504 kms
East-West Corridor	Kolkata to Mumbai	2,328 kms
North-South Corridor	Delhi to Chennai	2,327 kms
East Coast Corridor	Kharagpur to Vijaywada	1,114 kms
Southern Corridor	Chennai-Goa	899 kms

Source: DFCCIL

Modern Signalling and Telecommunication System:

Indian Railways aims to implement a Modern Train Control system to modernize its signalling system, across its network. The government has initiated the upgradation of a decades old signalling system, transforming it into an Automatic Train Protection System which will be an ideal mix of proven international technology and indigenously developed systems that provide an impetus to the Make in India initiative.

As one of the most ambitious modernization projects, it envisages a complete makeover of the signalling system for improving safety, line capacity and train speed. Accordingly, it has been included in the Works Programme 2018-19 with a project outlay of ₹ 77,912 Crore.

Union Budget 2021 also threw light on this aspect as Railways now plans to induct latest technology for Signalling & Telecommunication system. Under this plan, Centralized Traffic Control (CTC) system will be implemented on Indian Railways to increase operational efficiency. In the first phase, CTC will be implemented on 1830 KMs over 8 zones, on sections equipped with Automatic Block Signalling system. Further, in the second phase, CTC will be implemented over the remaining 8 zones.

Metro Rail

There are currently 13 operational rapid transit (also called 'metro') systems in 21 cities of India. For instance, the Delhi Metro itself is connected to nearby cities in the National Capital Region.[1] As of August 2019, India has 671.52 kilometres (417.26 miles) of operational metro lines and 540 stations.[2] A further 500+ kms of lines are under construction.

Plans to further expand the metro rail network along with the rapid rail transit system (RRTS) to different parts of the country, stretching over 1,500 kms, are being proposed for the next 5 years. The proposed ₹ 3 trillion expenditure will include investments from private as well as public entities. Over the past 5 years, metro projects totalling 877 kms have been lined up in 27 cities, of which 400 kms have already been laid out.

Public Private Partnership (PPP) Model:

The government has proposed to use public-private partnerships to expedite various projects for Indian Railways. Projects involving development and completion of tracks, delivery of passenger freight services etc. will be covered under this model. Around ₹ 28,100 Crore is expected to come from PPP initiatives during FY2020-21.

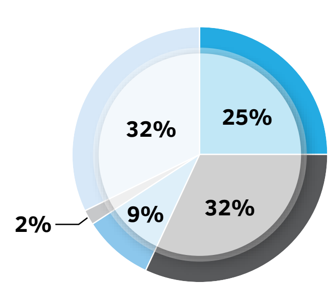
Indian Railways has proposed ₹ 50 trillion investment between 2018 and 2030. Annually, railways spends around ₹ 1.5-1.6 trillion on various projects and at this rate, pending projects can take years to be completed. To provide the much needed boost, the sector is all set to invite private participation to enhance and expedite projects.

International Opportunities

Global passenger rail activity more than doubled (+116%) from present levels, reaching almost 9.4 trillion passenger-kilometres and retaining its share of total passenger activity at around 10%. People's Republic of China ('China') and India continue to account for the largest share of passenger rail activity, owing to the vast size of their rail networks, high occupancy levels and plans for infrastructure extension.

The combined share of global rail activity in China and India is expected to increase from about 60% at present to 70% by 2050. Driven by economic growth, by 2050, global freight activity is anticipated to triple from 2017. Besides, to meet increasing transport demands and address current capacity bottlenecks, 430,000 track kilometres of rail networks will be needed by 2050. Simultaneously, there will be a requirement for extending metro tracks by nearly 45,000 kilometres (137% from 2017) and high-speed rail tracks by 46,000 kilometres (65% more). As a result, global average annual investment requirement in rail infrastructure will touch USD 315 billion, about 50% higher than the outlay in the past decade.

Global Annual Average Investment In Railway Infrastructure (2018 to 2050)



- USD 122 billion Metro and light rail infrastructure
- USD 152 billion Conventional rail infrastructure
- USD 41 billion High-speed rail infrastructure
- USD 10 billion Metros and trams (urban trains)
- USD 152 billion Non-urban trains (freight, conventional and high-speed)

Source: IEA (2018b)

Management Discussion and Analysis (MDA)

Around USD 475 billion needs to be spent annually on building, operating and maintaining rail networks. Nearly two-thirds of this is required to build and maintain rail lines, and the remainder for renewing and expanding the rolling stock.

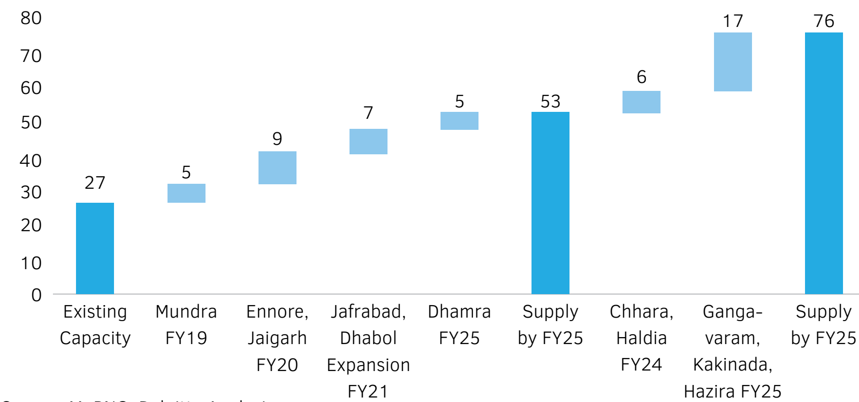
Oil & Gas infrastructure

Oil remains an essential energy source for India. It is the second-largest source in the country's total primary energy supply (TPES) and the largest in its total final consumption (TFC). Oil demand has increased rapidly over the last few decades and India is now the third-largest oil-consuming country in the world. As per World Energy Outlook 2019, India's oil demand is expected to reach around 6 mb/d by 2024, representing a 3.9% growth per annum, well ahead of the global average of 1.2%.

India's natural gas consumption is quite nominal but it is gradually increasing. Most of it is used in the industrial sector and in power generation. Although, residential gas consumption is limited, India is expanding its gas distribution network rapidly, an area where major growth is expected. India aims to increase the share of natural gas from 6.2% to 15% of the energy mix by 2030 (PNGRB, 2013), which suggests a doubling of current demand and infrastructure needs.

India's domestic gas demand is at an inflection point and is expected to see a 66% volume growth over the next five years, primarily driven by weak LNG prices. Gas demand is expected to rise from 148 million standard cubic meters (MMSCMD) per day in FY 2018-19 to 250 MMSCMD by FY 2024-25. The bulk of the incremental demand will come from city gas distribution (CGD) operations, rolled out in 400 districts. Additional demand of 52 MMSCMD is expected for retail sale of CNG to automobiles and the supply of piped natural gas for industries & households.

Expected LNG Import Capacity by 2025 (MMTPA)



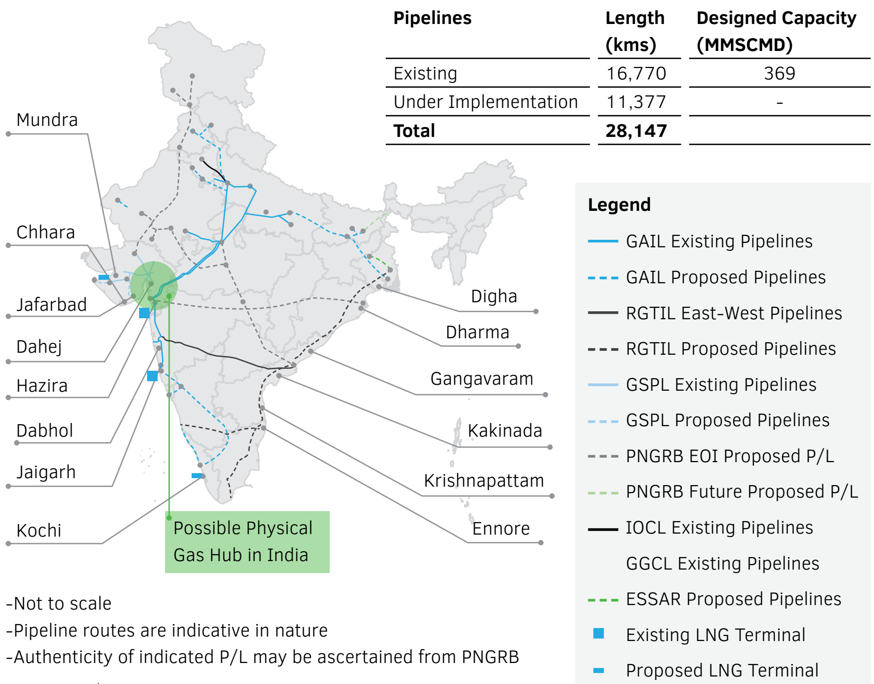
Source: MoPNG, Deloitte Analysis

Along with an increase in LNG capacity for gas imports, growth in pipeline infrastructure is critical for country wide gas access. Currently, India has a natural gas pipeline network of 17,753 kms, with a capacity of 451 MMSCMD. However, pipeline distribution is mostly concentrated in the western and northern regions of the country.

By the end of FY 2022, the natural gas pipeline is expected to cover over 28,147 kms with a capacity of 782 MMSCMD, forming a nation-wide gas grid providing uniform pipeline coverage. This will predominantly comprise of interstate pipeline networks. Additional investments are also expected to be made in intra state and distribution pipelines.

India's Gas Infrastructure

Pipelines	Length (kms)	Designed Capacity (MMSCMD)
Existing	16,770	369
Under Implementation	11,377	-
Total	**28,147**	



-Not to scale
-Pipeline routes are indicative in nature
-Authenticity of indicated P/L may be ascertained from PNGRB

Source: Industry Reports

India will see a massive investment of USD 118 billion in oil and gas exploration and natural gas infrastructure. As much as USD 58 billion will be invested by 2023 in oil & gas exploration and production. By 2024, USD 60 billion is anticipated to be used for natural gas infrastructure including pipelines, import terminals and city gas distribution networks.

Logistics & Warehousing

The warehousing market in India was valued at ₹ 1,501.2 billion in 2019 and is expected to reach ₹ 2,821.1 billion by 2024, expanding at a CAGR of ~13.57% during the 2020-2024 period. Various initiatives taken by the Indian government have been driving the country's warehousing market towards growth, but investors had started taking cognizance of the sector much before the implementation of these reforms like granting infrastructure status to the logistics industry including warehousing. The warehousing market in India accounts for approximately 25% of the total logistics cost.

The warehousing market is sub divided into four industrial segments namely industrial or retail warehousing, container freight station or inland container depot (CFS/ICD), agricultural warehousing and cold storage. Among these segments, agricultural warehousing is expected to witness the highest growth rate of ~17.87% in terms of revenue, during the 2019-2024 forecast period.

The agricultural warehousing market was valued at ₹ 145.82 billion in 2019 and is expected to reach ₹ 365.75 billion by the end of 2024. As of 2019, India has a total agri warehousing capacity of around 91 million metric tonnes with majority of the capacity being owned by state agencies. Growing need of proper storage of fruits and vegetables in the country is fuelling the demand of agri-warehousing in the country.

Currently, India's total warehousing capacity is estimated to be 160 Mn tonnes. Around 30% of this capacity is managed by the private sector, and the rest is divided between FCI (Food Corporation of India), CWC (Central Warehousing Corporation), SWC (State Warehousing Corporation), state agencies and the co-operative sector.

The warehousing and logistics sector in India is projected to attract an investment amount of nearly ₹ 691 billion over the next 4-5 years, after the implementation of the Goods & Services Act and the attainment of its infrastructure status. The warehousing sector in the country has witnessed extensive participation from developers, as well as institutional investors, who have invested more than ₹ 470 billion since 2014 till May 2019, with an average investment of ₹ 19 billion per deal.

The growth in the warehousing market in India is also largely being driven by the rise in international business. Entry of numerous foreign as well as domestic industries in the country and establishment of manufacturing plants have generated greater export opportunities, which in turn has fuelled the demand for warehousing spaces across the country. In addition, 3PL, e-Commerce, Fast Moving Consumer Durable (FMCD), Fast Moving Consumer Good (FMCG), Manufacturing and Retail industries are also the major adopters of organized warehousing spaces in the country. Among these the 3PL and e-Commerce players continued to be the biggest adopters of organized warehousing spaces.

Company Overview

With over three decades of experience and presence in 55 countries, Kalpataru Power Transmission Limited (KPTL) is among the largest players in the global power transmission and infrastructure space. The Company offers comprehensive solutions encompassing design, testing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railway projects on a turnkey basis. As a diversified conglomerate spanning power transmission & distribution, oil & gas pipeline, railways, infrastructure development, civil contracting and Agri-commodity (post-harvest) logistics, the Company combines its technical prowess and excellent execution strategies to deliver the highest value propositions to its varied clientele. The Company is also involved in development of assets and has a portfolio of power T&D and road assets along with two Biomass based power plants in Rajasthan, India.

Operational Review

Geographically, the consolidated revenue of the Company can be divided into two different segments – domestic and international. Revenue from the domestic segment was ₹ 9,160 Crore (72%) and international segment contributed revenue of ₹ 3,516 Crore (28%) in FY19-20.

Engineering, Procurement and Construction (EPC)

EPC is the largest segment with 96% share in consolidated revenue for FY19-20 and similar share in FY18-19. The revenue of EPC Segment was ₹ 12,195 Crore in FY19-20 compared to ₹ 10,361 Crore in FY18-19. The Company continues to strengthen its position in the domestic and international EPC segment and is proactively working to increase its presence in high-growth markets such as SAARC, Africa, Latin America, Europe and South East Asia.

During FY19-20, production (including outsourced) and dispatches of transmission line towers were 173,094 MT and 167,206 MT respectively, as compared 1,68,634 MT and 1,70,696 MT in FY18-19.

In FY19-20, the Company erected around 1,28,000 MT of transmission towers at various locations domestically and internationally and executed about 3,800 ckm of stringing.

Management Discussion and Analysis (MDA)

For the FY19-20, on a consolidated basis, the EPC segment has received new orders of approximately ₹ 9,887 Crore. The aggregate value of orders on hand as on March 31, 2020 is ₹ 22,834 Crore. The details of business-wise orders are as below:

Transmission and Distribution Business (T&D):

Transmission & Distribution (T&D): Numerous transmission line and sub-station orders in international and domestic markets totalling approx. ₹ 3,658 Crore. In India, the Company secured orders from Power Grid Corporation Ltd. (PGCIL), State Electricity Boards (SEBs) and private clients.

Oil & Gas Pipeline:

During FY19-20, the Company secured several orders of ₹ 1,484 Crore from Indian Oil Corporation Limited (IOCL), GAIL and GSPL India Gasnet Limited (GICL).

Railways:

The Company's Railway business has garnered orders worth ₹ 1,353 Crore related to gauge conversion, railway electrification and associated works from Rail Vikas Nigam Ltd. (RVNL), Central Organisation for Railway Electrification (CORE) and G-RIDE in FY19-20.

Civil Construction:

Our subsidiary JMC Projects (India) Ltd. received orders of approximately ₹ 3,364 Crore in FY19-20 in their Buildings & Factories and Water business.

Financial Review

On a standalone basis, the Company achieved revenue from operations of ₹ 7,904 Crore in FY19-20 as against ₹ 7,115 Crore in FY18-19, an increase of 11%. Domestic and International sales were affected due to the lockdown imposed on account of the COVID-19 pandemic, in the month of March 2020.

PAT was up by 15% in FY19-20 to ₹ 463 Crore from ₹ 401 Crore in FY18-19. Profitability has increased due to increase in business and sale of one of the transmission assets.

Net property, plant and equipment (including capital work in progress), at the end of FY19-20 stood at ₹ 633 Crore as against ₹ 578 Crore in the previous year. During the year under review, depreciation was at ₹ 110 Crore and net addition in the property, plant and equipment is ₹ 106 Crore. Net current assets decreased to ₹ 1,950 Crore (Includes ₹ 423 Crore of current assets pertaining to Assets held for Sale) as against ₹ 2,185 Crore in the previous year due to higher realisation. Borrowing levels of the Company are ₹ 1,334 Crore in FY19-20 as against ₹ 647 Crore in FY18-19. The net debt is ₹ 970 Crore in FY19-20 against ₹ 483 Crore in FY18-19.

The Borrowing levels remain at a comfortable level with net debt/ equity ratio of 0.27:1. The finance cost was around 2.10% of the revenue during FY19-20 as against around 1.67% of the revenue during FY18-19. The Company enjoys A1+ and AA Stable rating for its short-term and long-term borrowing from both CRISIL and CARE. The Company has sufficient working capital to support its growth plan.

Consolidated revenue of the Company grew by 17%, with revenue of ₹ 12,676 Crore in FY19-20 as compared to ₹ 10,841 Crore during FY18-19. Net debt at consolidated level stood at ₹ 3,458 Crore (includes ₹ 786 Crore as Debt pertaining to Assets held for Sale) in FY19-20 as against ₹ 3,228 Crore in FY18-19. The consolidated order book of the Company is ₹ 22,834 Crore as on 31 March 2020.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor. The key financial ratios are given below:

	Standalone		Consolidated	
	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20
Debtors Turnover (No. of Days)	173	167	146	138
Inventory Turnover (No. of Days)	32	34	38	35
Interest Coverage Ratio	6.44	5.00	2.91	2.24
Current Ratio	1.50	1.35	1.39	1.29
Debt Equity Ratio	0.21	0.38	1.14	1.22
Operating Profit Margin (%)	10.94	11.18	12.26	11.55
Net Profit Margin (%)	5.64	5.86	4.48	3.07

- At standalone level, there has been increase in Debt Equity ratio by more than 25% because of increase in short term borrowing to finance higher working capital on account of rise in business operations.

- At consolidated level, there has been reduction in Net Profit Margin by more than 25% mainly on account of provision for loan to joint venture, higher finance cost and depreciation and loss of margin due to nationwide lockdown imposed by government of India to prevent spread of COVID-19.

- Further, the Return on Net worth ratio (Standalone) during FY19-20 was 13.10% as compared to 12.73% during FY18-19 which improved by ~37 bps on account of higher profitability. Further the Return on Net worth ratio (Consolidated) during FY19-20 was 11.60% as compared to 14.96% during FY18-19 which declined by 336 bps given lower profitability in subsidiary company.

Risk Management

Key Risks	Definition	Impact	Mitigation Strategies
Macroeconomic risks	Risk of slowing Indian and Global economy triggered by COVID-19 pandemic and geopolitical tensions due to ongoing trade war may impact Infrastructure Spending	Medium	The Company has diversified its business geographically and operationally to reduce dependence on particular markets. It continues to maintain a strong governance framework and internal and financial controls to mitigate any possible economic slowdown.
Cybersecurity risks	Increased global cyber security threats, targeted attacks and failure of security systems resulting from human or technological errors	Low	The Company has implemented strong controls to protect itself against cyber threats and has incorporated precautionary measures to prevent and mitigate threats. It has also set up a CISO office, which is primarily designed to protect systems, networks and data from cyber-attacks.
Legal and Compliance risks	With operations in multiple geographies, the Company is exposed to legal and compliance formalities pertaining to multiple geographies and it can hinder operations, if it is not addressed on time	Medium	The Company has a strong compliance team to keep an eye on legalities. It also implements adequate measures to ensure business sustainability across geographies. The Company also employs the services of country specific legal advisors and subject matter experts to offer advice on global policies and changes
Financial risk	Interest rate, Exchange rate, Liquidity risk, Commodity price risk pose significant challenges to profitability and margins. Any adverse movement of these metrics could deter the value creation philosophy of the Company and its subsequent growth plans	Medium	The Company plans its liquidity position through a judicious mix of short- and long-term funding while optimizing the interest cost. It uses currency forward contracts to mitigate foreign exchange related risk exposure. In addition, the Company manages input commodity price risk through price escalations under the Contract in case of variable contracts and through Commodity Future Contracts in case of fixed price contract.
People risk	Increasing employee cost along with scarcity of skilled people for succession planning of senior and mid-level management positions pose a challenge to business sustainability	Medium	The Company has a strong culture of reward and recognition. The Company has taken initiatives like Skill Upgradation, Nurturing Future Leaders and Career Progression Review to serve as catalysts for holistic development of employees. To mitigate the risk of succession planning, the company periodically reviews, assesses and executes its policies with utmost care.
Operating risk	Unavoidable delays, internal as well as external, pose challenges for on-time execution of projects, affecting the company's topline and bottomline	High	The Company relies on strong internal processes, personnel and systems to ensure compliance and assessment of each project. Projects are analysed within the operational risk spectrum, prioritising best practices to ensure timely execution and maximum value creation for all stakeholders

Management Discussion and Analysis (MDA)

Key Risks	Definition	Impact	Mitigation Strategies
Competition risk	Economic uncertainty may underpin customer budgets and clients may look for alternatives in the market	Low	The Company combines intelligence with trust to build a strong connection with its customers. Its proactive approach and tailor-made offerings helps to create lasting bonds.
Environment risk	Non-adherence to ecological protocols for infrastructure projects could result in significant economic and social impact	Medium	The Company closely monitors each project, adapting the sustainability criteria and stakeholder perspective using its internal and external framework to minimise any negative impact on the environment.

Internal Controls

Our Company is amongst the very few globally to achieve the international 'Anti-corruption management systems' certificate ISO 37001:2016. ISO 37001 was established in October 2016 as the world's first international certification standard for anti-bribery management systems. The ISO standard establishes a framework for organizations to address bribery related risks within their business and the entire value chain, through the implementation of an anti-bribery management system that helps to prevent and detect bribery and instill an anti-bribery culture. ISO 37001 has been established as the new global standard for best practices for companies, to manage bribery related risks.

Internal control is the policies and procedures adopted by the Company 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. The Company is committed to ensuring an effective Internal Control environment that will help in preventing and detecting errors and irregularities, thus ensuring security of Company's assets and efficiency of operations. The Company has an internal control mechanism which is commensurate with the size and complexity of business and aligned with evolving business needs. This is demonstrated through various means including, but not limited to Code of Conduct together with the Whistle Blower Policy and Anti Bribery & Anti Corruption Policy which provides the facility of expression of genuine concerns about unethical behavior, improper practice, any misconduct, any violation of legal or regulatory requirements, actual or suspected fraud by any official of the Company without fear of punishment or unfair treatment, appraising Senior Management and the Audit Committee of the Board periodically on the internal processes of the Company with respect to Internal Controls, Statutory Compliances and Assurance etc.

Periodically, the Audit Committee takes cognizance of the significant risk assessment processes, audit plans, reported observations, recommendations and adequacy of Internal Controls and provides directions and guidance including external benchmarking of best practices for further action, if any.

Extensive use of technology ensures robustness and integrity of financial reporting and internal controls, allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports and ensures compliance with statutory laws, regulations and company policies.

The Company has Group Assurance division besides external firms that reviews internal controls and operating systems and procedures.

Environment, Health and Safety (EHS)

KPTL consistently encourages its employees to practice & integrate the EHS management system at all levels of work and motivates them to lead with ownership in all facets of construction with an aim to achieve the organizational goal of zero harm.

At KPTL, safety is a core value. The Company strives continually to improve its processes, work methodology and demonstrate leadership to build EHS skills.

The Company's EHS Management System outlines the structured approach necessary for all operations to manage the EHS risks and drive EHS improvement in a consistent and systematic manner.

The Company is committed to promote and foster a safe working environment by incorporating Environment, Health and Safety into daily operations, resulting in the prevention of injuries and illness of its employees, contractors & visitors. The Company is also committed to the promotion of best practices as well as compliance with Corporate, State and Local regulations and laws governing the activities of the Company.

The Company continuously imparts EHS specific training to employees and workmen to inculcate practices among employees and thereby helps to improve the organization's approach towards health, safety and environmental policies. In addition to routine business activities, the Company also focused on the following areas during the last fiscal year:

EHS BUSINESS EXCELLENCE

Management Control	EHS Organisation	Monitoring & Measurement	Training & Development	In-depth Incident Investigation
• User Friendly SOPs • Integration of EHS in planning & designing stage of new project • EHS review by the leadership team. • EHS Award & Disciplinary Policy • Linkage of EHS KRA at all levels • Work stoppage Notice for serious safety violation • Monthly Rapid quantitative site EHS assessment • 100% PPE compliance	• Allocation of Adequate Competent Safety resources to ensure effective EHS coverage & monitoring • Quarterly assessment of Safety team to ensure effectiveness • Empowerment letter to BU/RO/ site EHS head	• DSR/MSR • Ownership -Walk through by project & leadership team • 3 layers cross entity Audits • EHS Snapshots • Steering Committees at HO, BU & Site levels • EHS Updates by BU Head in review meeting. • KPTL toll free number for convenient reporting of unsafe act / condition	• Safety Passport • Behaviour based safety -cultural transformation • Emergency Drill • Motivational program • Induction & On-job training • Regular workshop for contractors & project managers	• Fast track Incident Call Tree • Why-Why Analysis • Lessons learnt from others Mistake. • Sharing & dissemination of Lessons learnt from past mistake to prevent the recurrences. • Direct and indirect cost analysis

Management Discussion and Analysis (MDA)

Process driven approach:

- Effective & constant Daily Safety reporting from all sites.
- EHS Dashboard to reflect and monitor EHS performance of each project closely at Site level.
- EHS enforcement & work stoppage guideline for Work stoppage notice during any activities that may cause high potential incident.
- EHS reward and recognition policy to encourage the employee's EHS performance either individually or through team.
- EHS induction movie - Shoot actual work activity with complete safety measures at project site to make an effective understanding of safety practices.
- Empowerment letter to BU / Site EHS head to delegate duties and responsibilities applicable to the project.
- EHS Disciplinary Policy to maintain discipline and increase the productivity
- EHS Journal – to handle emergencies and also to establish collaborative effort towards establishing a positive EHS culture and spreading awareness across the organization

Robust Review Mechanism:

- Formation of EHS steering committee at BU / RO / Site level for Robust & effective EHS review mechanism: formed EHS steering committee meeting along with detailed guidelines at BU, RO & site level.
- Monthly EHS Snapshot: BU wise monthly EHS updates circulated to the leadership team to adopt a focused approach across the Company's projects/sites.
- EHS Walk round of Project Site: Walk through rounds by BU Head / RO Head /project site line management team around the sites makes it more approachable for resolving EHS issues and encouraging the staff about EHS policies.
- Fortnightly EHS review: Fortnightly Telecon / VC with BU / RO EHS head to review the status of initiatives / ongoing EHS performance
- Fire safety audits for major business buildings of the Company to avoid any untoward fire incident.
- EHS council meet for all BU / RO EHS head to review the site EHS status and prepare the Road Map for upcoming quarter.
- Skill assessment of existing EHS personnel: Competency mapping and skill assessment of EHS team by an external expert.

Engineering Control Mechanism:

- Innovative fall protection mechanism through vertical and horizontal lifeline, fall arrest System.
- Provision and use of safety net during erection of transmission towers
- Provision of CCTV Camera System at tower location to monitor safe work practices.
- TPI of Lifting Tools inspection at site
- Trench box installation while working in trenches adjacent to highways (where sloping is not possible due to space constraints) in O&G BU
- Implementation of Snake Guard Stick (Snakes are kept away due its vibration) for project sites.
- Use of Helmet Mounted Induction Tester and voltage detector for various tasks near live wires.
- Implementation of safe erection process of BFB mask to avoid climbing of masts on mast and reduce damage caused due to accidental falls from the mast.

Administrative EHS Process for new workers:

- Gang evaluation
- Screening of workmen
- Height phobia test
- EHS induction
- Height Pass wfor workers who are fit to work in elevated areas.

Corporate Social Responsibility (CSR)

As a responsible and responsive corporate citizen, KPTL believes that sharing success with the larger communities and societies is both a responsibility as well as an opportunity to make a difference to the lives of people. It helps them to become a part of the mainstream development and prosperity of the nation. Towards its CSR initiatives, KPTL focuses on Healthcare, Education and overall Community Development. The Company works primarily through its CSR Trust i.e. Kalpataru Welfare Trust, for providing healthcare services to poor and marginalized sections of the society. Kalpataru Welfare Trust runs "Kalpa Seva Arogya Kendra" at Gandhinagar as well as in Mumbai. The Company also has incorporated a Section 8 Company in the name of "Kalpataru Foundation" during the year under review for large scale CSR Projects.

The "Kalp - Seva Arogya Kendra - Gandhinagar" has been operational for more than 10 years since 2009 benefitting on an average approx. 100 patients per day. Further, on an average, about 700-800 patients were benefitted every month through medical camps organized at "Kalp - Seva Arogya Kendra - Mumbai" during the year under review and till date about 13,000 patients have availed services of such medical Camps. Besides this, the Company has carried out a range of CSR activities during the year under review, in the field of Healthcare including Preventive Healthcare, ensuring environmental sustainability, Promoting Education, Flood Relief activities, Promotion to Technology incubators, etc. The Company also ran a CSR Project for Combating and Containing Novel Coronavirus (CoVID-19) through various relief activities.

Details regarding CSR initiatives taken by the Company during the year under review are available in Annexure A to the Directors' Report.

Human Resources (HR)

The HR Vision is important in building a lean, proficient and future proof KPTL, working in partnership to create an environment where people can thrive deliver sustainable and desired performance.

In line with this vision, the Company has enabled digital transformation at KPTL. It will have a profound impact on the performance and services of the Company.

The Company's people agenda contributes significantly to the delivery of overall strategy. To achieve the Company's strategic goal and enable changes across the organization, the Company needs the expertise, commitment and enablement of its employees.

In 2019, the Company placed particular focus on HR Technology & leadership development to renew and align the workforce with change.

Digital HR Transformation:

- **HR Bot Kortana – Mobile Application on AI platform:** A mobile based virtual assistant that enables an employee to access various Human Resource requirements on individual handset i.e. salary slip, leave balance, attendance records, tax projections, HR Policies, loans, HR Grievance, Employee first, travel requests etc. A Supervisor can approve leave and travel requests, Purchase Orders, CAPEX plans etc. by using the application. Around 3000 employees have been registered for the application and are using the same. The BOT is found to be more useful to the Company's project site employees who can easily access it from their mobile.
- **HR –Dashboard:** HR Dashboard covering MIS information for the Top Management covers HR information regarding Talent Acquisition, Manpower movement, Resource Management, Learning & Development and Engagement at all locations.
- **LMS – Learning Management System Module:** An online learning depository of over 50 technical and behavioral courses. In FY19-20, 6221 courses were completed by 1683 employees in LMS.
- **Online Employment Application form:** An online database platform for interested applicants/ prospective employees to apply for various current and future openings in the organization
- **e-Appraisal:** Online Performance Review and Development (PRD) system enables objective assessment of performances.
- **Employee First:** Proper employee on-boarding is critical as it enables smooth transition of a new employee within the organisation. Employee Bills of Right (EBR) – Employee first is created to gauge new joiners' comfort, acclimatization with organisational culture, familiarization with processes and initial support of infrastructure. This is an IT enabled tool built on ESS (Employee self-service). Each new joinee submits feedback (on Likert scale of 1-5) on his or her on-boarding experience after completing 30 days of work. The responses received are analysed and improvements are worked upon. The responses received are shared with all BU Heads and HRBPs.

Management Discussion and Analysis (MDA)

- **Buddy – A Mitra – Practice-** A SAP system for assignment of buddy to a new joinee. Buddy is assigned to new joinee within 2-3 days of joining. A system-generated mail is sent to both, the Buddy and the new joinee. This helps to build a bonding within the organization. On completion of three months, an online feedback is submitted by both the buddy as well as the new joinee.

- **Profile Sheet:** An up-to-date online profile of employee skills, education, other accomplishments and career preferences which reflect their goals and aspirations is marked in the profile sheet. Managers and other leaders can use this information and understand their talent pool, identify gaps, consider employees for certain initiatives, suggest training, set goals and give them career advice.

Key People Practices

- **3 Tier Leadership Development Program:** Developing a leadership pipeline for Early, Future and Senior leader roles by facilitating their leadership journey.

    - **Leading with growth mindset:** A program on collaborative leadership and to lead an agile team, partnered with renowned Innovation consultant, coach, and author Mr. T D Chandrashekar.

    - **LEAP: Leadership Excellence and Pride for Future Leaders** aims in transitioning from leading Manager to leading business passages of leadership pipeline

    - **ELEVATE: Early Leadership Excellence, Visioning and Talent Engagement Program for early leader** aims to transition self to manager passages of leadership pipeline.

- **Business Finance Acumen Development Program:** Competency building program partnered with TMDC.

- **Certification Program for Procurement & Supply Chain Management:** Partnered with Symbiosis.

- **Certification on Negotiation Skills:** Skill development on negotiation for procurement and SCM team, conducted by Industry experts.

- **IGNITE Project Management Certification:** A custom program in partnership with S. P. Jain institute of management studies.

- **First Time Right Approach:** To minimize rework cost and complete the project in time, the Company took a strategic decision of Implementing First Time Right (FTR) by engaging Quality staff.

- **LEAN Manufacturing:** An operational excellence initiative which includes Kaizen, Improvement projects and creating operational excellence structure based on TPM/Lean manufacturing.

This year the Company has been acknowledged and applauded by various agencies for its efforts:

- **World HRD Congress 2020,** recognised **KPTL's workplace practices at 'Global HR excellence award 2020'.**

- **President HR – KPTL Mr. M A Baraiya** awarded as **'Sustainable HR Leader – 2020'**.

- TLD vertical of KPTL won Gold Trophy at 21st Annual TQM Convention - 2020

The Company has grown its manpower strength from 3,295 to 3,531 with addition of about 214 (net addition) management trainees, graduate trainees and CAs to ensure cadre building.

At KPTL, the HR team constantly aims to develop homegrown future Functional Leaders, Geographic Leaders, Business Unit Leaders and Enterprise Leaders. The Company ensures and strives to design and implement policies, programmes and processes aimed at identifying, retaining, developing future leaders and help such leaders to achieve their fullest potential within the Group.

Cautionary Statement

This report comprises the facts and figures along with assumptions, strategy, goal, and intentions of the Company which may be "forward-looking". The Company's actual results, performance may differ considerably from those presented herein. The Company's performance is dependent upon global and national economic conditions, the price of commodities, business risk, change of Government's rules and regulations, etc.

Board's Report

TO,

THE MEMBERS,

Your Directors are pleased to present the **39th ANNUAL REPORT** of your Company together with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

(₹ in Crore)

	Consolidated		Standalone	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Revenue from Operations	12675.84	10840.48	7904.03	7115.11
Profit before Depreciation, Tax and amortization expense	1086.12	990.3	752.21	710.38
Less: Depreciation and amortization expenses	339.64	210.94	110.48	85.99
Profit before Tax and Exceptional Items	**746.48**	**779.36**	**641.73**	**624.39**
Exceptional items	4.06	-	23.94	-
Share of Profit / (Loss) from Joint Venture	(23.38)	(18.10)		
Tax Expense	258.10	274.17	202.62	223.09
Profit for the period	**389.59**	**487.09**	**463.05**	**401.30**
Other Comprehensive Income(net of tax)				
Items that will be reclassified subsequently to Profit or Loss	(37.72)	24.52	(24.44)	18.00
Items that will not be reclassified subsequently to Profit or Loss	(1.51)	1.34	0.51	1.54
Total Comprehensive Income for the period	**350.36**	**512.95**	**439.12**	**420.84**
Retained Earnings – Opening balance	**1752.96**	**1378.86**	**1,868.29**	**1,540.71**
Add: Impact of Ind AS 115 (net of taxes)	-	5.24	-	6.14
Add: Profit for the period	389.59*	466.75*	463.05	401.30
Add: Impact of Ind AS 116 (net of taxes)	(2.36)	-	(1.18)	-
Less: Acquisition of non-controlling interest	58.12	1.64		
Less: Dividends	46.04	38.37	46.04	38.37
Less: Interim Dividend	54.15	-	54.15	-
Less: Corporate Tax on Dividend	20.59	8.57	18.97	6.49
Less: Transfer to Debenture Redemption Reserve	5.47	36.86	-	25.00
Less: Transfer to General Reserve	12.25	12.25	10.00	10.00
Less: Transfer to other reserves	0.22	0.20	-	-
Retained Earnings – Closing balance	**1943.35**	**1752.96**	**2201.00**	**1868.29**

** Profit for the year attributable to Owners of the Company*

OPERATIONAL HIGHLIGHTS

During FY 2019-20, the Standalone revenue of your Company increased by 11.09% to ₹ 7,904.03 Crore as against ₹ 7,115.11 Crore in the previous financial year. Total Export revenue (including overseas projects) was ₹ 2813.82 Crore or approx. 35.60% of revenues.

COVID-19 global pandemic induced lockdown was imposed pan-India with effect from March 25, 2020 initially for 3 weeks and later extended further and is ongoing. Also, limited restrictions on movement in few states were already effective from mid March 2020. Due to the project-based nature of business, there was no material adverse operational or financial impact on the company during the financial year ended 31st March, 2020 although the revenue of fourth quarter of the Company was impacted due to lockdown announced in view of spread of COVID-19 pandemic. Planned completion of few transmission line and railway projects envisaged in March 2020 got postponed, but impact was negligible in FY 2019-20.

Board's Report

The Standalone net profit for the year increased by 15.39% to ₹ 463.05 Crore as against ₹ 401.30 Crore in the previous financial year. The Company successfully delivered on the Profitability front with Core EBIDTA increasing by about 11% to about ₹ 860 Crore with margins on standalone level at 10.9% primarily driven by operational excellence while the initiatives for cost rationalizations and productivity enhancement continue to gain momentum.

Your Company has supplied 1,67,206 MTs of Transmission Line Towers during the year under review.

Your company has a standalone order book in excess of ₹ 12,100 Crore excluding fairly placed bids. Your Company has received Orders in excess of ₹ 6500 Crore at standalone level in the current financial year 2019-20.

The consolidated revenue of your Company increased by 16.93 % to ₹ 12,675.84 Crore as against ₹ 10,840.48 Crore in the previous financial year.

The consolidated net profit for the year decreased by about 20% to ₹ 389.59 Crore as against ₹ 487.09 Crore in the previous financial year on account of exceptional items of impairment of fixed assets and expected credit loss provisions towards loans/ advances.

There has been no change in the nature of business of your company during the year under review.

AWARDS & RECOGNITION:

Your Company has been honoured with various Awards, accolades and recognitions during the year under review. Some of which are elaborated hereunder:

A) Your Company was conferred with Special Appreciation Award at 8th Edition of Gujarat State Level Best Kaizen Competition 2019 organized by Vadodara chapter of Confederation of Indian Industry.

B) Your Company was declared a winner at 3rd National Competition on *LEAN* manufacturing organized by Confederation of Indian Industry at Bengaluru.

C) The Gandhinagar manufacturing unit of your Company was awarded with Gold category Award in Engineering Sector at Grow Care India Safety Award, 2019 for exemplary performances in Safety and Operations and Environment Protection.

D) Quality Circle Forum of India (QCFI) awarded Gandhinagar manufacturing unit of your Company with Gold category Award in Engineering Sector at National Level Convention on Safety for People, Plant and Planet.

E) At 21st Annual TQM Convention, 2020, your Company's domestic Transmission business won the regional level Gold Trophy of Quality Circle Forum of India for remarkable efforts in transition towards attitudinal changes in thinking of the people at all levels through "First Time Right" initiatives leading to overall quality excellence and Client delight.

F) Directorate of Industrial Safety & Health, Jaipur, Rajasthan conferred the Padampur Biomass power plant of the Company with Certificate of Appreciation and Award Trophy for Best Occupational Health and Safety practices at Power Plant.

G) Your Company's contribution towards Road safety initiatives for the Nokaneng community in Republic of Botswana while executing Legolthwane – Makoba – Samochima 132 kV Transmission Line was honored through a Certificate of Appreciation issued by Deputy District Commissioner, Okavango Sub-district, Republic of Botswana.

H) On the occasion of National Safety Week' 2019 Celebration, APTRANSCO, the Company's client conferred the Company with Safety Appreciation Certificate in recognition and appreciation for continual improvement & excellent performance in safety at 400kV Rachagunneri, 132kV Yerpedu & 220kV Naidupet Substations.

I) Power Grid Corporation of India Limited ("PGCIL") conferred a Certificate of Appreciation for EHS Performance of your Company in recognition and appreciation for continual improvement and excellence performance in Occupational Health, Safety & Environment for the period 2019-2020 at 765kV D/C PS Hexa Varanasi – Vidhyanchal Transmission Line Project.

J) PGCIL also conferred a "Certificate of Appreciation" to your Company for achievement of successfully executing 765kV S/C Sipat Bilaspur Transmission Line CKT 1 & CKT 2 without any lost time accident and maintaining improved EHS & Quality Standards. Further, your Company's Client Transmission Corporation of Andhra Pradesh Limited issued Appreciation Letter for successfully completion of Upgradation of 220/132 kV Rachangunneri SS to 400/220/132 kV Rachangunneri SS and connected Transmission network adhering to 100% safety and Quality norms.

K) Your Company's Client M/s Technip FMC presented to the Company HSE Award for successfully achieving one million safe man hours and for outstanding performance in safety initiatives while executing IGHDS project of IOCL at Assam, India.

L) Your Company emerged winner of Dun and Bradstreet Infra Awards – 2019 under Infrastructure Projects category for Kishanganj-Darbhanga 400 kV Double Circuit Transmission Line - 209km with Quad Moose ACSR Conductor. The Award was conferred considering Project Criticality, Milestones and Challenges Faced, Project Quality Initiatives, Pile Foundation Initiatives, Project Economics and Health and Safety, Public and Environment Impact etc.

M) Engineers India Limited, a Navratna Company appreciated your Company on achievement of two million man hours without any Lost Time Accident as EPC Contractor for "Balance of Plant & Utilities on LSTK basis for LPG Import facility at BPCL, Haldia.

N) At World HRD Congress – 2020, HR professionals of the Company were recognized with various awards like Sustainable HR Leader – 2020, 101 Most Fabulous HR Leaders – 2020, 101 Most Fabulous Training Leaders – 2020 and the Company was recognized with Global HR excellence Award – 2020 for Best Workplace practices.

O) Your Company was declared runner's up at the 2019 IPLOCA Corporate Social Responsibility Award for its CSR Project of constructing two storey Dormitory building for poor Girl students in Orissa

Further, during the year under review

A) Your Company's manufacturing plant situated at Gandhinagar has been audited & certified for **ISO 3834-2**. The certification stands for "Quality requirements for fusion welding of metallic materials". This is an added feather in your Company's quality system which will enhance quality standard in metal welding areas and with this, your Company will be able to match with international requirement of welded structures including transmission towers. This is one of the important & first certification in your Company's business segment.

B) Your Company was certified with ISO 37001:2016. **ISO 37001:2016** specifies requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system. It is a benchmark for corporate compliance program with focus on anti-bribery and anti-corruption practices and is the new international standard designed to help organizations implement an anti-bribery management system.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF YOUR COMPANY

There are no material changes and commitments, affecting the financial position of your Company which has occurred between end of financial year of the Company i.e. March 31, 2020 and the date of Directors' Report i.e. May 20, 2020.

DIVIDEND

Your Company has declared and paid an interim Dividend of ₹ 3.50 (175%) per equity share of ₹ 2 each on March 4, 2020 in line with Dividend Distribution Policy of the Company. Your Directors do not recommend any Final Dividend for the year ended March 31, 2020.

TRANSFER TO RESERVES

Your Company has transferred following amounts to various reserves during the financial year ended March 31, 2020:

Amount transferred to	Amount in ₹ Crore
General Reserve	10.00

PERFORMANCE AND FINANCIAL POSITION OF EACH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

A statement containing the salient features of financial statements of each of the subsidiaries, associates and joint venture companies in terms of provisions of Section 129(3) of the Companies Act, 2013 in the prescribed Form AOC-1 is annexed to Consolidated Financial Statements and hence not repeated here for the sake of brevity.

The brief details of the activities carried out by key subsidiaries / new subsidiaries of your Company is provided below.

- **JMC Projects (India) Ltd.:**

  JMC Projects (India) Limited ("JMC Projects" or "JMC") is a leading construction company in India, with over USD 500 million revenue, having presence in South Asia and Africa. It is certified under ISO 9001:2015, Environmental Management System (EMS) conforming to ISO 14001:2015 and Occupational Health & Safety Management system (OHSMS) conforming to ISO 45001:2018 at all offices and projects.

Board's Report

It addresses critical needs in key sectors – Infrastructure (Highways, Flyovers, Elevated corridors, Metros, Railways, Bridges, Water Supply & Irrigation projects), Construction of Buildings (High-rise, Integrated Township, Residential, Commercial, IT Parks, Institutional, Hospital, Sports Complex, Tourism projects), Factories, Industrial Plants & Power projects among others. JMC's integrated capabilities span the spectrum of 'EPC' solutions with Safety, Quality and On-time delivery as the 3 pillars.

Over three decades of a strong, customer-focused approach and a sharp focus on world-class quality have enabled JMC to maintain a leadership position in its major lines of business. Characterized by professionalism, high standards of corporate governance and sustainability, JMC continues to evolve, seeking better ways of engineering to meet emerging challenges leveraging the power of People-Processes-Technology (PPT).

For the FY 2019-20, JMC has received new contracts of more than ₹ 3,350 Crore. As of March 31, 2020, the aggregate value of orders on hand of JMC stands at approx. ₹ 9,546 Crore. Your Company increased its shareholding in JMC from 67.19% to 67.75% during the year under review.

- **Shree Shubham Logistics Ltd ("SSLL"):**

SSLL undertakes an array of activities in the post-harvest value chain primarily for agri-commodities and currently present in 10 states and managing inventories above 1.5 million MT. The activities include warehousing, collateral management, funding facilitation, funding, testing & certification and pest management. The activities are aimed at a wide spectrum of market participants dealing in agri-commodities, including farmers, traders & aggregators, government agencies, banks and electronic commodities exchanges. Through the integrated business model, SSLL believes that they are able to create value in the post-harvest value chain. Your Company holds 100% equity shares of SSLL.

During the year under review, SSLL has been recognized & awarded by The Economic Times as "Champions of Rural Market 2019" in Delhi and has received "The Best Warehouse Service Provider" award at 7th International Convention of Commodity Participants Association of India (CPAI) in July, 2019.

- **Linjemontage i Grastorp AB ("LMG"):**

Linjemontage i Grastorp AB, a Swedish EPC Company headquartered in Grastrop, Sweden along with its two wholly owned subsidiaries were acquired by the Company's wholly owned subsidiary in Sweden namely Kalpataru Power Transmission Sweden AB on April 29, 2019. During the year under review, LMG along with its two WOS has bagged Orders of ~₹ 1,134 Crore and has an Order Book of ~₹ 1,152 Crore as on March 31, 2020. It has further strengthened its position in the European markets with the revenues growing by about 21% with an improvement of about 35% in the net profit. Post acquisition, Order book has multiplied by about 2.4 times. LMG has made a big entry into 400 kV transmission lines business where it has successfully secured two big projects. The team size at LMG has also been scaled up and it has emerged as one of the top suppliers in terms of quality of service and safety.

During the year under review, three new Companies have become Subsidiaries of your Company. Your Company's wholly owned subsidiary in Sweden namely Kalpataru Power Transmission Sweden AB acquired Linjemontage i Grastorp AB along with its two wholly owned subsidiaries viz. Linjemontage AS and Linjemontage Service Nordic AB.

During the year under review, Kalpataru Satpura Transco Private Limited has ceased to be Subsidiary Company.

During the year under review, no new company have become or ceased to be Associate Company or Joint Venture Company of your Company.

Accordingly, as on the date of this Report your Company have 23 direct and indirect subsidiaries and 2 joint venture Companies.

Pursuant to provisions of Section 129 of the Companies Act, 2013, your Company has placed Consolidated Financial Statements before the members for its approval. Further, pursuant to provisions of Section 136 of the Companies Act, 2013, your Company will make available the Annual Accounts of the Subsidiary Companies and the related information to any Members of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies are also uploaded on the website of the Company i.e. www.kalpatarupower.com and will also be kept open for inspection at the Registered Office of your Company and that of the respective Subsidiary Company.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Audited Consolidated Financial Statements pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements presented by your Company include the financial results of its Subsidiary Companies, Associate and Joint Venture Companies.

DIVESTMENT / MONETIZATION OF TRANSMISSION LINE SPV's

On July 03, 2019, your Company entered into binding agreements with CLP India Private Limited to sell its stake in 3 (Three) power transmission assets namely, Kalpataru Satpura Transco Private Limited (KSTPL), Alipurduar Transmission Limited (ATL) and Kohima Mariani Transmission Limited (KMTL) (referred jointly as SPVs), for an estimated enterprise value of ₹ 3,275 Crore. The transaction was subject to requisite approvals and compliances. The transaction for ATL and KMTL was to be effective post Commercial Operation Date (COD). The Company has completed the sale of its entire stake in KSTPL on November 20, 2019. In January, 2020, ATL achieved COD of the Transmission Line Project by successfully commissioning residual Element 1 - Alipurduar – Siliguri Line of the Project. However, due to non-fulfilment of the conditions precedent as stipulated in the binding agreements, Share Purchase and Shareholders Agreement for sale of stake in ATL was terminated w.e.f. May 01, 2020. Your Company is now actively pursuing and evaluating other opportunities to sell its stake in ATL to other suitable investor(s). Further, KMTL Project is progressing well and is expected to be commissioned on time. Furthermore, your Company is actively pursuing and evaluating opportunities to sell its stake to suitable investor(s) in Jhajjar KT Transco Pvt Ltd (JKTPL), which has been operating since March, 2012 and wherein your Company holds 49.72% stake.

PREFERENTIAL ALLOTMENT

Your Company purchased 1,46,45,499 equity shares of ₹ 10 each representing 19.94% of the equity share capital of Shree Shubham Logistics Limited from its existing shareholder i.e. Tano India Private Equity Fund II for an aggregate consideration of ~ ₹ 64.66 Crore paid for consideration other than cash i.e. by issuing 12,54,900 equity shares of the Company at a price of ₹ 515.25 per share on preferential allotment basis after obtaining approval of shareholders of the Company at the Annual General Meeting held on July 30, 2019.

BUY BACK OF EQUITY SHARES

The Board of Directors of the Company at its meeting held on May 20, 2020 approved the buy-back by the Company of its equity shares of face value of ₹ 2/- (Rupees Two) each ("Equity Shares") from the open market through the stock exchange mechanism in compliance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, and the Companies Act, 2013, and other applicable rules / law, at a maximum price of ₹ 275/- (Rupees Two Hundred and Seventy Five only) per Equity Share ("Maximum Buyback Price") payable in cash, for an aggregate maximum amount not exceeding ₹ 200,00,00,000/- (Rupees Two Hundred Crore Only).

DIRECTORS

At the Annual General Meeting held on July 30, 2019, the shareholders approved appointment of Mr. Sanjay Dalmia (DIN: 03469908) as an Executive Director on rotational basis for a tenure of 3 years w.e.f. August 8, 2018. The shareholders also approved re-appointment of Mr. Sajjanraj Mehta (DIN: 00051497), Mr. Vimal Bhandari (DIN: 00001318), Mr. Narayan K. Seshadri (DIN: 00053563) and Mr. K. V. Mani (DIN: 00533148) as Independent Directors of the Company for a second term of 5 consecutive years w.e.f. April 1, 2019. Your Board is of opinion that the Directors re-appointed posseses integrity, expertise, experience and proficiency of that of an Independent Director.

In its meeting held on March 4, 2020, the Board of Directors, at the recommendation of Nomination and Remuneration Committee, has approved the re-appointment of Mr. Manish Mohnot (DIN: 01229696) as Managing Director & CEO of the Company for a period of 5 years effective from April 1, 2020 subject to approval of shareholders of the Company.

Further, the Board of Directors at the recommendation of Nomination and Remuneration Committee, re-appointed Ms. Anjali Seth (DIN: 05234352) as an Independent Director of the Company for a second term of 5 consecutive years w.e.f. 19th May, 2020 subject to approval of shareholders of the Company.

Your Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, pursuant to Section 164(2) of the Companies Act, 2013, all the Directors have provided declarations in Form DIR- 8 that they have not been disqualified to act as a Director.

In terms of Section 152 of the Companies Act, 2013, Mr. Imtiaz Kanga (DIN: 00136272) being the longest in the office shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for reappointment.

A brief resume of directors being appointed / re-appointed along with the nature of their expertise, their shareholding in your Company and other details as stipulated under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended as an annexure to the Notice of the ensuing Annual General Meeting.

Board's Report

BOARD MEETINGS

The Board met Six (6) times during the financial year ended on March 31, 2020 on May 9, 2019, July 2, 2019, July 30, 2019, November 6, 2019, February 10, 2020 and March 4, 2020.

The number of Meetings of the Board that each Director attended is provided in the Report on Corporate Governance.

COMMITTEES

Your Company has several Committees which have been established as a part of best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statues.

The Board has constituted following Committees.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Share Transfer Committee
- Executive Committee

The details with respect to the compositions, powers, roles, terms of reference etc. of relevant Committees are given in detail in the 'Report on Corporate Governance' of your Company which forms part of this Report. The dates on which Meeting of Board Committees were held during the financial year under review and the number of Meetings of the Board Committees that each Director attended is provided in the 'Report on Corporate Governance'. The minutes of the Meetings of all Committees are circulated to the Board for discussion / noting / ratification.

During the year, all recommendation of the committees were approved by the Board.

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Ram Patodia was appointed as Chief Financial Officer ("**CFO**") of the Company w.e.f. April 1, 2019.

Mr. Basant Kumar Parasramka, Interim Compliance Officer and Interim Company Secretary and Key Managerial Personnel of the Company superannuated on October 3, 2019 and accordingly ceased to be Company Secretary and Compliance officer on October 3, 2019. Consequently, the Company designated Mr. Rajeev Kumar as Compliance Officer in terms of Regulation 6 of the SEBI (LODR) Regulations, 2015 effective from October 4, 2019. Further, the Board of Directors at the recommendation of Nomination and Remuneration Committee, approved the appointment of Mr. Rajeev Kumar (Membership No. FCS 5297) as Company Secretary & Key Managerial Personnel of the Company w.e.f. November 6, 2019 in terms of the provisions of Section 203 of the Companies Act, 2013 and rules made thereunder.

Mr. Manish Mohnot, Managing Director & CEO, Mr. Ram Patodia, Chief Financial Officer and Mr. Rajeev Kumar, Company Secretary are the Key Managerial Personnel (KMP) as per provisions of Companies Act, 2013.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013. Hence, the disclosures required as per Rule 8 (5) (v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to your Company.

CORPORATE GOVERNANCE

Your Company believes that robust Corporate Governance is critical for enhancing and retaining stakeholder's trust and confidence. Your Company always ensures that its performance goals and targets are achieved in compliance with its sound corporate governance practices. The efforts of your Company are always focused on long term value creation. Inherent to such an objective is to continuously engage and deliver value to all its stakeholders including members, customers, partners, employees, lenders and the society at large.

The Report on Corporate Governance, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached. The Report on Corporate Governance also contains certain disclosures required under Companies Act, 2013.

A certificate from M/s. B S R & Co. LLP, Statutory Auditors of the Company confirming compliance to the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to Report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Management Discussion and Analysis Report outlining the business of your Company forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has formed a CSR Committee as per the requirements of the Companies Act, 2013. On recommendation of CSR Committee, the Board of Directors' of your Company has approved the CSR Policy which is available on the website of your Company at www.kalpatarupower.com. The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the initiatives undertaken by your Company on CSR activities during the year are set out in **Annexure A** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

BUSINESS RESPONSIBILITY REPORT

As stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report.

VIGIL MECHANISM

The details of establishment of Vigil mechanism ("**Whistle Blower Policy**") is given in the 'Report on Corporate Governance' of the Company which is annexed to this Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Financial Controls are an integrated part of the risk management process, addressing financial risks and financial reporting risks. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, continuous monitoring by functional experts and testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively considering the nature of our industry and are operating as intended.

STATUTORY AUDITORS AND AUDITORS' REPORT

M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, have been appointed as Statutory Auditors' of the Company at the 37th Annual General Meeting held on August 7, 2018 to hold office from the conclusion of 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting of the Company, subject to compliance of the various provisions of Companies Act, 2013.

Statutory Auditors' comments on the Annual Financial Statements of the Company for the year ended on March 31, 2020, both on Standalone and Consolidated basis, are self-explanatory and do not require any explanation as per provisions of Section 134(3)(f) of the Companies Act, 2013. There were no qualifications, reservation or adverse remark or disclaimer made by Statutory Auditors in their reports on the Standalone and the Consolidated Annual Financial Statements of the Company.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Company had appointed Mr. Urmil Ved, Practising Company Secretary, Gandhinagar, as its Secretarial Auditor to conduct the Secretarial Audit of your Company for FY 2019-20. The Report of the Secretarial Auditor for the FY 2019-20 is annexed to this report as **Annexure B**.

There were no qualifications, reservation or adverse remark or disclaimer made by Secretarial Auditor in its report.

COST AUDITOR

The Company has maintained cost records as specified by Central Government under Section 148(1) of Companies Act, 2013 and such records have been audited by the Cost Auditor pursuant to Companies (Cost Records and Audit) Rules, 2014.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respect of Electricity and Steel business needs to be audited. In compliance to the above, the Board of Directors upon the recommendation of the Audit Committee, appointed M/s. K. G. Goyal & Associates, Cost Accountants, as the Cost Auditor of your Company for the FY 2019-20.

Board's Report

RISK MANAGEMENT FRAMEWORK

Your Company has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately. Your Company monitors, manages and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's SOP's, Organizational structure, management systems, code of conduct, policies and Values together govern how your Company conducts its business and manage associated risks.

The Risk Management framework enables the management to understand the risk environment and assess the specific risks and potential exposure to the Company, determine how to deal with these risks to manage overall potential exposure, monitor and seek assurance of the effectiveness of the management of these risks and intervene for improvement where necessary and report throughout the management chain upto the Risk Management Committee on a periodic basis about how risks are being monitored, managed, assured and improvements are made.

PARTICULARS OF REMUNERATION

A. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time are forming part of this report as **Annexure C1**.

B. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. However, this report and the accounts are being sent to the members excluding the said annexure. In terms of Section 136 of the Companies Act, 2013, the said annexure is open for inspection at the Registered Office of your Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

PERFORMANCE EVALUATION

The criteria for performance evaluation and the statement indicating the manner in which formal annual evaluation of the Board, its Committee and of individual Directors has been made are given in the **"Report on Corporate Governance"**, which forms part of this Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

Your Company's policy on remuneration for the Directors', Key Managerial Personnel and other employees are forming part of this Report and is annexed as **Annexure D1**. The same is also placed on website of the Company www.kalpatarupower.com. There has been no change in the said Policy during the year under review.

Your Company's policy on Directors' appointment including criteria for determining qualifications, positive attributes, independence of a director are forming part of this Report and is annexed as **Annexure D2**.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW & OUTFLOW

Information required to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure E** and forms part of this Report.

DIVIDEND DISTRIBUTION POLICY

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, your Company has formulated Dividend Distribution Policy and the same is annexed to this report as **Annexure F** and is also available on the website of the Company i.e. www.kalpatarupower.com.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the Annual Return as at March 31, 2020 forms part of this report as **Annexure G**. The annual return referred to in Section 134(3)(a) of the Companies Act, 2013 shall be placed on the website of the Company and can be accessed at www.kalpatarupower.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note No. 38 to the Standalone Financial Statements).

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The policy on materiality of Related Party Transactions is uploaded on the website of your Company and the link for the same is provided in the 'Report on Corporate Governance'. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

Attention of Members is drawn to the disclosure of transactions with related parties set out in Note No. 42 of Standalone Financial Statements, forming part of the Annual Report.

STOCK OPTIONS

Your Company does not have any stock options schemes.

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance towards any action on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every women executive working in your Company. The Anti Sexual Harassment Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

Your company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints pending as on the beginning of the financial year and no new complaints were received during the financial year under review.

POLICY ON CODE OF CONDUCT AND ETHICS

As an organization, your Company places a great importance in the way business is conducted and the way each employee performs his/her duties. Your Company encourages transparency in all its operations, responsibility for delivery of results, accountability for the outcomes of our actions, participation in ethical business practices and being responsive to the needs of people and society. Towards this end, your Company has laid down a Kalpataru Code of Conduct ("**KCoC**") applicable to all the employees of your Company and conducted various awareness sessions across the Company. The Code provides for the matters related to governance, compliance, ethics and other matters.

SIGNIFICANT OR MATERIAL ORDERS AGAINST COMPANY

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and your Company's operation in future.

STATEMENT OF DIRECTORS' RESPONSIBILITY

Pursuant to requirement under Section 134(3)(c) of the Companies Act, 2013 (Act), your Directors' confirm that:

(a) in the preparation of the annual accounts for the year ended on March 31, 2020, the applicable accounting standards read with requirement set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit of the company for the year ended on that date;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

Board's Report

(d) they had prepared the annual accounts on a going concern basis;

(e) they, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively and

(f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all the Government and Regulatory Authorities, Financial Institutions, Banks, JV Partners', Consortium Partners', Customers, Vendors, Suppliers, Sub-Contractors and Members and all other stakeholders for their valuable continuous support.

The Boards of Directors also wish to place on record its sincere appreciation for the committed services by the Company's executives, staff and workers. Your Directors also appreciate and acknowledge the confidence reposed in them by members of the Company.

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 20, 2020

Annexure A to Board's Report

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Kalpataru Power Transmission Limited's CSR Policy

Kalpataru Power Transmission Limited ("KPTL") has always been at forefront of Voluntary CSR. The provisions of the Companies Act, 2013 have made it imperative to institutionalize the CSR activities. The objective of your Company's CSR policy is to lay down the guiding principles for proper functioning of CSR activities to attain sustainable development of the society around the area of operations of the Company. Your Company's social responsibility policy focuses on using the capabilities of business to improve lives and contribute to sustainable living, through contributions to local communities and society at large.

Your Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. Apart from long term ongoing projects, the Company has undertaken various other programme and projects under its CSR Policy in the field of Healthcare including Preventive Healthcare, Ensuring environmental sustainability, Promoting Education, Flood Relief activities, Promotion to Technology incubators, etc. Further, the Company also ran CSR Project for Combating and Containing Novel Corona Virus (CoVID-19) through various relief activities. Your Company also incorporated a Section 8 Company limited by Guarantee named as Kalpataru Foundation to carry out CSR activities of Kalpataru Group at a consolidated level.

CSR Policy of the Company is available on the Company's website (weblink https://www.kalpatarupower.com/)

2. The Composition of the CSR Committee:

The Board of Directors of your Company has constituted a Corporate Social Responsibility Committee of Directors. CSR Committee is formed as per the applicable laws of the Companies Act, 2013 and the Committee is responsible for the implementation/ monitoring and review of the policy and various projects/activities undertaken under the policy.

The Members of the CSR committee are:

a) Mr. Sajjanraj Mehta - Chairman of Committee (Independent Director)
b) Mr. Mofatraj P. Munot - Executive Chairman
c) Mr. Parag Munot - Non-executive Director
d) Mr. Manish Mohnot - Managing Director & CEO

3. Average Net Profit of the Company for last three financial years: **₹ 31,745.75 lakhs calculated as per CSR Rules**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **₹ 634.92 lakhs**

5. Details of CSR Spent during the financial year.

a. Total amount to be spent for the financial year: **₹ 634.92 lakhs**
b. Amount unspent, if any: **258.48 lakhs**

Annexure A to Board's Report

c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or Program wise** (₹ in lakhs)	Amount spent on the Projects or programs (Sub heads):* (1) Direct Expenditure on projects or programs (2) Overheads (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount Spent: Direct or through implementing agency
1.	Provide specialized healthcare services like non-surgical consultation/checkup camps, awareness camps by specialists etc. through the "Kalpa Seva Arogya Kendra – Lotus House, Mumbai"	Promoting Health Care	Mumbai, Maharashtra	341.55@	10.00	341.55	Kalpataru Welfare Trust
2.	Provide medical services to poor and needy through the "Kalpa Seva Arogya Kendra - Gandhinagar"	Promoting Health Care	Gandhinagar, Gujarat	63.50	52.81	247.77	Kalpataru Welfare Trust
3.	Repair and Renovation of different Rural Child care Anganwadi Centres (approx. 21) to combat child hunger and malnutrition	Promoting Health Care, Eradicating hunger and malnutrition	Alipurduar, West Bengal	25.00	24.35	24.35	Direct
4.	Upliftment of Rural & Tribal Poor and Urban Slum Dwellers by curing avoidable blindness through "Project Rashtriya Netra Yagna"	Promoting Healthcare	North eastern states of India and Tamil Nadu	15.00	15.00	55.00	Vision Foundation of India
5.	Conservation of water and Development of Green Belt through Canal cleaning/ deepening, Plantation etc.	Ensuring environmental sustainability	Raipur, Chattisgarh	23.57	11.41	11.41	Direct
6.	Sanitation Project through Construction / Rehabilitation of Urinals and Toilets and Education promotion initiative like Construction of Boundary Wall at Primary School	Promoting Education, Sanitation	Jalpaiguri and Alipurduar, West Bengal	14.80	14.69	14.69	Direct
7.	Flood Relief Operations in the wake of incessant rains and widespread flooding	Eradicating Hunger, Promoting Healthcare	Kolhapur, Maharashtra	10.00	10.00	10.00	Maharashtra Chamber of Housing Industry
8.	Education Promotion by contributing VAN for commutation by needy girls children to School	Promoting Education	Tonk, Rajasthan	8.00	6.64	6.64	Direct
9.	Setting up Mini Science Laboratory consisting of interactive Mathematics & Science working models at Government Schools	Promoting Education	Raipur, Chattisgarh	30.48	19.74	19.74	Direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or Program wise** (₹ in lakhs)	Amount spent on the Projects or programs (Sub heads):* (1) Direct Expenditure on projects or programs (2) Overheads (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount Spent: Direct or through implementing agency
10.	Infrastructure rehabilitation at Teachers Training College through new furniture etc.	Promoting Education	Jodhpur, Rajasthan	5.37	5.37	5.37	Netraheen Vikas Sansthan
11.	Promotion of accounting education at Jai Narayan Vyas University, Jodhpur	Promoting Education	Jodhpur, Rajasthan	5.00	5.00	5.00	The Indian Accounting Association
12.	Preventive Health Care for Poor / Tribal Children	Promoting Health Care	Gandhinagar and Aravalli, Gujarat	5.00	3.00	8.00	Shri Gajanan Seva Samiti
13.	Promotion of Indian Culture through educational, literary artistic and other educational activities to be conducted at "Sanskar Kendra" or by organizing camps which are attended by public at large without any discrimination of caste, religion, race and sex.	Protection of Culture	Mumbai, Maharashtra	26.00	26.00	26.00	Gajendra Foundation
14.	Contribution for supporting various activities of Atal Incubation Centre which promotes startups working in areas of water conservation, Swachh Bharat Abhiyaan, affordable healthcare, Electric Mobility and Renewable energy	Contribution to technology incubators	Thane, Maharashtra	25.00	25.00	25.00	Rambhau Mhalgi Prabodhini
15.	Supporting Educational Courses being run at University of Mumbai	Promoting Education	Mumbai, Maharashtra	2.00	2.00	2.00	Jain Academy Education Research Centre Promotion Trust
16.	Support for the residential homes by the name 'Apna Ghar Ashram', where all facilities like treatment, food, clothing, personal care, and medical/surgical treatments are provided free of cost to homeless, helpless, hopeless, destitute persons generally found in very harsh and painful conditions on roadsides, railway stations, bus stands, religious and other public places.	Eradicating Hunger, Promoting Healthcare	Bharatpur, Rajasthan	5.00	5.00	5.00	Maa Madhuri Brij Varis Sewa Sadan Apna Ghar Sanstha (Apna Ghar)
17.	School Bus for bringing needy deaf children to School	Promoting Education	Jodhpur, Rajasthan	14.83	14.83	14.83	Jodhpur Badhir Kalyan Samiti

Annexure A to Board's Report

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or Program wise** (₹ in lakhs)	Amount spent on the Projects or programs (Sub heads):* (1) Direct Expenditure on projects or programs (2) Overheads (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount Spent: Direct or through implementing agency
18.	Combating and Containing Novel Corona Virus (CoVID-19) through various relief activities	Promoting Healthcare, Eradicating hunger, Disaster management	PAN India	250.00	90.00	90.00	Implementing Agencies (i.e. Kalpataru Welfare Trust, Akshay Patra Foundation, Munot Foundation, Paropkar, Sangarsh Ek Sevabhavi Sansthan)
19.	Providing support and rehabilitation to people suffering from the debilitating condition of Parkinson's disease through PDMDS support centres	Promoting Healthcare	Mumbai, Maharashtra	10.00	10.00	10.00	Parkinson's Disease and Movement Disorder Society (PDMDS)
20.	Research activities and Diagnosis of Cancer Patients	Promoting Healthcare	Ahmedabad, Gujarat	25.00	25.00	25.00	Gujarat Cancer Society
21.	Expenditure on administrative overheads	Administrative expenses	-	0.60	0.60#	6.77	-
	TOTAL			**905.70**	**376.44**	**954.12**	

** The amount indicated in this column above is the direct expenditure on project or programs.*

 # The amount indicated in this column above is the overhead expenditure on project or programs.

*** Budget Outlay represents the amount the Company has budgeted in its CSR plan*

@ Amount planned to be invested over a 3 year period of FY 2017-18, 2018-19 and 2019-20.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report.

The Company has identified certain long term projects which are under its evaluation. The Company has earmarked the unspent amount and once the CSR project is crystalised, the Company shall ensure spending of the unspent amount in the coming financial year(s).

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Mr. Manish Mohnot
(DIN: 01229696)
Managing Director & CEO

Mr. Sajjanraj Mehta
(DIN: 00051497)
Chairman of CSR Committee

Annexure B to Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kalpataru Power Transmission Limited,
CIN: L40100GJ1981PLC004281
GIDC Estate, Sector – 28,
Gandhinagar,
Gujarat- 382028.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kalpataru Power Transmission Limited** (hereinafter called the company) for the year ended on March 31, 2020. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 and made available to me, according to the provisions of:

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

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

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

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

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

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018);

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (during the year under review not applicable to the Company);

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;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (during the year under review not applicable to the Company);

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (during the year under review not applicable to the Company) and

i) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

Annexure B to Board's Report

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

The management has identified and confirmed the following laws as being specifically applicable to the Company:

(a) The Electricity Act, 2003, the Central Electricity Authority Regulations and the Rajasthan Electricity Regulatory Commission Regulations.

(b) The Indian Boilers Act, 1923 and rules framed there under.

I further report that, having regard to the compliance system prevailing in the Company and on the examination of relevant documents and records on test check basis the Company has complied with above mentioned specific laws and regulations.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman the decisions of the board were unanimous and no dissenting views have been recorded.

I further report that, based on review of compliance mechanism established by the Company and on the basis of Compliance Certificates issued by the Managing Director & CEO and Company Secretary of the Company and taken on record by the Board of Directors at their meetings, I am of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period the company had the following specific events/actions having major bearing on the company's affairs in pursuance to above referred laws, rules, regulations, guidelines, standards, etc.

i. Pursuant to provisions of Section 180(1)(a) of the Act, Members at Annual General Meeting dt. July 30, 2019 gave authority to the Board for creation of mortgage, charge, security etc. for an amount not exceeding in aggregate ₹ 12,000 Crore (Rupees Twelve Thousand Crore only).

ii. Company had on August 12, 2019 allotted 12,54,900 Equity Shares of face value of ₹ 2/- each at a premium of ₹ 513.25/- per share aggregating to ₹ 64,65,87,225/- to Tano India Private Equity Fund II (Tano) for consideration other than cash i.e. in consideration of 1,46,45,499 Equity Shares held by Tano in Shree Shubham Logistics Limited.

Urmil Ved
Practicing Company Secretary
(ICSI Unique Code L1996GJ080100)
FCS No. 8094, CP No. 2521
Peer Review Cert. No.: 597/2019
ICSI UDIN: F008094B000259862

Date: May 20, 2020
Place: Gandhinagar

Note: This report is to be read with my letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure-A

To,
The Members,
Kalpataru Power Transmission Limited,
CIN: L40100GJ1981PLC004281
Plot 101, Part – III,
GIDC Estate, Sector – 28,
Gandhinagar,
Gujarat - 382028.

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

1. Maintenance of secretarial record, device proper systems to ensure compliance with the provisions of all applicable laws, rules and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

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

4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.

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

Urmil Ved
Practicing Company Secretary
(ICSI Unique Code L1996GJ080100)
FCS No. 8094, CP No. 2521
Peer Review Cert. No.: 597/2019
ICSI UDIN: F008094B000259862

Date: May 20, 2020
Place: Gandhinagar

Annexure C1 to Board's Report

INFORMATION PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2019-20 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director / KMP for Financial year 2019-20 (₹ in Crore)	% change in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Mofatraj P. Munot Executive Chairman	11.90	-15.00%	166.67
2	Mr. Parag M. Munot Promoter Director	1.33	-23.12%	18.63
3	Mr. Sajjanraj Mehta Non Executive Independent Director	0.49	-16.95%	6.86
4	Mr. Vimal Bhandari Non Executive Independent Director	0.34	-19.05%	4.76
5	Mr. Narayan K Seshadri Non Executive Independent Director	0.33	-17.50%	4.62
6	Mr. K. V. Mani Non Executive Independent Director	0.15	-11.76%	2.10
7	Ms. Anjali Seth Non Executive Independent Director	0.18	-14.29%	2.52
8	Mr. Imtiaz Kanga Promoter Director	0.11	-26.67%	1.54
9	Mr. Manish Mohnot Managing Director & CEO	10.03	-15.50%	140.48
10	Mr. Sanjay Dalmia # Executive Director	4.63	-12.64%	64.85
11	Mr. Ram Patodia Chief Financial Officer	1.43	##	NA
12	Mr. Rajeev Kumar Company Secretary	0.46*	**	NA
13	Mr. Basant Kumar Parasramka Company Secretary	0.81*	***	NA

While calculating % increase in remuneration of Mr. Sanjay Dalmia, remuneration for whole year FY 2018-19 is taken which also includes his remuneration as Director (International Business) of the Company from April 1, 2018 to August 7, 2018.

Details not stated as Mr. Ram Patodia was appointed as Chief Financial Officer of the Company w.e.f. April 1, 2019.

* *Remuneration is for part of FY 2019-20*

** *Details not stated as appointment made as Company Secretary of the Company w.e.f. November 6, 2019.*

*** *Details not stated as he superannuated on October 3, 2019 and accordingly ceased to be Company Secretary and Compliance Officer w.e.f October 3, 2019.*

Note: The above Remuneration of Mr. Rajeev Kumar, Company Secretary is for the period from August 01, 2020. His remuneration for the period from his appointment as Company Secretary is ₹ 27.50 lakhs.

ii) The median remuneration of employees of the Company during the financial year under review was ₹ 7.14 lakhs.

iii) In the Financial year under review, there was an increase of 8.90% in the median remuneration of employees.

iv) There were 3,531 permanent employees on the rolls of Company as on March 31, 2020.

v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 8.90% whereas there was decrease in managerial remuneration and percentage decrease in the managerial remuneration for FY 2019-20 was 14.79%. The decrease in the managerial remuneration is attributable to the impact of COVID-19 on financial performance of the Company.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 20, 2020

Annexure D1 to Board's Report

COMPANY'S POLICY ON REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. PURPOSE

At Kalpataru Power Transmission Limited (hereinafter referred to as "KPTL"), Management is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics and employee relations.

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. The Company also understands the importance of attracting and maintaining high quality individuals from directors right through to support staff.

This remuneration policy is being positioned on the basis of overall assessment of the size of the company, future prospect, organization structure and complexity of its activities. The purpose is to have a remuneration policy that is consistent with and promotes sound and effective risk management, and which is aligned with the Company's strategy, values and goals and the interests of stake holders and investors.

The Nomination and Remuneration Committee has developed this policy keeping in view the following aspects.

(a) The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors and employees of the quality required to run the company successfully.

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(c) Maintain appropriate balance between fixed and incentive pay in remuneration to directors, key managerial personnel and senior management reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

(d) Align the growth of the Company and development of employees and accelerate the performance.

(e) To motivate and retain the quality employees and attract other highly qualified executives to enter into KPTL's service, when require.

(f) To give a rational and fair treatment to employees, and to recognize importance of every one with team spirit and enhancing the value of human wealth.

(g) To create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company.

(h) Encourage people to perform to their highest level.

(i) Allow the Company to compete in each relevant employment market.

(j) Provide consistency in remuneration throughout the Company.

(k) Align the performance of the business with the performance of key individuals and teams within the Company.

2. DEFINITIONS

(a) "**Board**" means Board of Directors of the Company for the time in force.

(b) "**Company**" or "**KPTL**" means "Kalpataru Power Transmission Limited", having **CIN** L40100GJ1981PLC004281, and registered office at 101, Part III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India

(c) "**Committee**" or "**NRC**" means "Nomination and Remuneration Committee" of the Board of the Company, as may be reconstituted by the Board and as may be subsist from time to time.

(d) "**Director**" means person appointed as Director on the Board of the Company pursuant to the applicable provision of the Companies Act 2013 and includes independent Directors of the Company.

(e) "**Division**" or "**Business Unit**" or "**Department**" means every division of the Company viz Transmission Line (Domestic), Transmission Line – International, Railway, Biomass, Infra, 'Accounts, Finance, Taxation, Secretarial and Legal', P&M, Information Technology (IT), HR & Admin, Quality Management & MR, Procurement, Development, Health and Safety (EHS), Contracts, Business Development, BOT Projects, and also includes Division as renamed and new Divisions setup from time to time.

(f) "**Department Head**" or "**Functional Head**" or "**Business Unit Head**" or "**BU Head**" means Employee of the Company who are designated as such or in charge of one or more Department or Business Units and person who are designated as Head for the time being, by the Executive Director or CEO.

(g) "**Executive Director**" means person appointed as Whole-time director, Executive Director, Managing Director, Deputy Managing Director and Joint Managing Director and holding office as such pursuant to the applicable provision of the Companies Act 2013.

(h) "**Employees**" Employees means and includes person who is confirmed for full time employment of the Company time to time.

(i) "**Key Managerial Personnel**" or "**KMP**" means person as defined in the Companies Act, 2013 and as appointed and in employment of the Company as a Chief Executive Officer or Managing Director or Manager, Whole Time Director, Chief Financial Officer and Company Secretary.

(j) "**Remuneration Policy**" or "**this Policy**" means this Policy for remuneration of Directors, KMP and employees of the Company as set out hereby, recommended by the Committee and approved by Board of KPTL, as amended from time to time.

(k) ''**Senior Management**'' means personnel in employment of the Company who are members of core management team excluding Board of Directors and normally this shall comprise all members of management one level below 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 specifically include company secretary and chief financial officer.

(l) "**Steering Committee**" means Committee comprising of Managing Director & CEO, Executive Director, Chief Financial Officer, President (HR & Admin) & respective BU Head

Unless the context require otherwise, words importing the singular include the plural and vice versa and pronouns importing a gender include each of the masculine, feminine and neuter genders and shall be interpreted in the wide sense in spirit of this Policy.

3. EFFECTIVE DATE OF THE POLICY

The Nomination and Remuneration Committee has approved this Policy in its meeting held on March 28, 2015 and the Board has approved this Policy in its meeting held on March 28, 2015.

This Policy shall come in to effect from March 28, 2015.

The first amendment to this Policy was carried out by the Board of Directors at its meeting held on March 22, 2019 to be effective from April 1, 2019 at the recommendation of Nomination and Remuneration Committee

This policy is framed and amended as per requirement of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ((as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 to be effective from April 1, 2019)) (erstwhile as required under Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges).

4. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the Nomination and Remuneration Committee of the Board presently comprising of 3 directors including 2 independent Director. Existing remuneration committee has been renamed and reconstituted pursuant to the provision of the Companies Act 2013 and Listing Agreement. The NRC are playing statutory and consultative role in building appropriate remuneration structure in the Company keeping in view recognition and appreciation of experience, expertise, advise, efforts and contribution provided by the Directors, KMP, Senior Management and dedication of Employees. While strategize the remuneration structure, the Committee would also consider that composition of remuneration needs to be reasonable and sufficient to attract, retain and motivate Directors and senior management of the quality required to run the Company successfully.

In it's consultative role and guiding force, the Committee will provide its recommendations to the Board in respect to matter and tasks as may be assigned by the Board time to time. The Committee may recommend to the Board as how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company and advice changes if any required to this Policy.

5. MONITORING AND IMPLEMENTATION OF THIS POLICY

The Committee implements and monitors this Policy. The Committee may take assistance of HR Head, HR team and Senior Management as may be necessary in respect to implement and review of this Policy. The Committee may seek attendance of Department Heads and obtain relevant data, details and analysis as the Committee may think necessary. The Committee may also consult the experts' advice wherever they deem necessary in discharge of their duty.

Annexure D1 to Board's Report

6. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Company follow the following structure in respect to remuneration of Non-Executive Directors (NEDs) and are paid remuneration by way of Commission and Sitting Fees within the overall statutory limits prescribed in the Companies Act, 2013 and rules prescribed in that regards.

The distribution of Commission amongst the NEDs is placed before the Board. The Commission is distributed on the basis of their attendance and contribution at the Board and certain Committee Meetings, as well as time spent on operational matters other than at the meetings.

6.1 Sitting fees

The Non-Executive Directors are paid Sitting Fees. The Company pays sitting fees of ₹ 75,000/- per meeting to the NEDs for attending the meetings of the Board and ₹ 25,000/- for attending meeting of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and Risk Management Committee.

6.2 Reimbursement of expenses

The Company also bear / reimburse travelling and other expenses to outstation Directors for attending meetings and expenses in relation to attending matters or business of the Company.

6.3 Remuneration

The Company may upon passing of resolution by the Board of Directors of the Company consider payment of remuneration to Non-Executive Directors by way of commission as a percentage of profits on an annual basis, pursuant to the applicable provision(s) of the Companies Act 2013 and rules made thereto, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Listing Agreement) and approval of shareholders of the Company. The Commission would be at a rate not exceeding 1% or 3% per annum of the profits of the Company, as may be applicable to the Company, as per the provision of the Companies Act 2013 and as approved by shareholders from time to time.

On recommendation of the Committee, the Board may consider appropriate additional remuneration to such Non-executive Director who has devoted considerable time and efforts in relation to business and matters of the Company. Said remuneration would be within overall limit of commission or remuneration to Non-executive directors and to the extent permitted under the law. If there will be any proposal from the Board, the Committee may recommend different remuneration / fees for different class of Directors, keeping in view the requirement of the Company and statutory provisions.

Effective from April 1, 2019, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6.4 In case of no profit or inadequate profit

As per the provision of the Companies Act and rules related thereto

6.5 Review of remuneration of Non-Executive Directors

The Committee shall evaluate the remunerations of Non-executive Directors at such interval as it thinks appropriate or as may be requested by the Board time to time. While recommending to the Board for restructure or increase in remuneration of Non-Executive Directors, the Committee shall keep in view the following factors in seriatim weightage.

a) Financial performance and net-worth of the Company as per audited financial statement for last 3 financial years.

b) Value of order book position and operational performance track in last two years.

c) Performance of the Board as whole considering the evaluation of the Board done by Independent Directors.

d) Diversity and composition of Board considering experience, expertise, technical knowledge and skills relating to business and future plan of the Company, position held in other organizations and directorship in other companies.

7. REMUNERATION OF EXECUTIVE DIRECTORS

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and profit linked commission and/or performance incentives (variable component) to Executive Directors of the Company. The remuneration to executive directors is as approved by shareholders of the Company. The Board proposes to shareholders the remuneration including appropriate mix of fixed and variable components and other terms for appointment of the Executive Directors, considering qualifications, experience, technical skills, requirement of the Company and prevailing market conditions. While determining the remuneration proposal, the Board also considers the recommendation of the Nomination and Remuneration Committee.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- the annual remuneration payable to such executive director exceeds ₹ 5 Crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

Explanation: For the purposes of this clause, net profits shall be calculated as per section 198 of the Companies Act, 2013.

7.1 Fixed Component

The Executive Directors are paid remuneration by way of monthly salary / fixed component, as per preapproved terms.

7.2 Variable Component

The Executive Directors are also paid remuneration by way of incentive / commission as percentage of profit of the Company as per audited financial statement, within range as approved by the shareholders. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings and applicable statutory provision stipulated in Section 197 of the Companies Act, 2013 and other applicable provisions as may be applicable time to time.

Amount payable to Executive Director is determined based on appointment terms, performance criteria as the Board may considers appropriate keeping in view the performance of the Company for relevant financial year in terms of the turnover and net profits, cash profit, performance and contribution by particular Executive Director, achievements, critical projects performance, remuneration paid in previous year, industry standard, and other factors as the Board may think appropriate. The Board also considers the recommendation from Nomination and Remuneration Committee.

7.3 Facilities

The Company shall provide such facilities as may be necessary in relation to perform his office duties and to attend operation and business of the Company.

Remuneration paid to the Directors is mentioned in the Annual Report of the Company.

7.4 Remuneration in case of no profit or inadequate profit

In case, there will be no profit or inadequate profit in any financial year, remuneration to Executive Directors will be as per the appointment terms and determined by the Board, subject to applicable provision of the Companies Act, 2013 / applicable law.

8. STOCK OPTIONS TO EMPLOYEES / DIRECTORS

As and when desirable or requested by the Board, the Committee will perform function in respect to devising / monitoring Employees Stock Schemes and give its recommendation about allotment of sweat equity shares, grant, vest and exercise of stock options and/or similar rewards to the eligible Directors and Employees, as may be permitted under the applicable Law or approved Schemes.

Annexure D1 to Board's Report

9. PECUNIARY RELATIONSHIPS OR TRANSACTIONS

The Independent Directors of the Company do not have any pecuniary relationships or transactions with the Company or its Holding Company, subsidiary Companies, Associate Companies or their promoters or directors except receiving Directors' Remuneration in a manner prescribed in Section 197 of the Companies Act, 2013 or having transaction not exceeding ten per cent. of his / her total income or such amount as may be prescribed under the Companies Act, 2013 from time to time.

10. REMUNERATION OF SENIOR MANAGEMENT

The remuneration of senior management would be guided by the external competitiveness and internal parity through annual benchmarking surveys. The remuneration structure is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, PF etc. The variable component comprises annual performance of the Individual performance of employee, Business and Company's performance as a whole.

10.1 Review of Remuneration of Senior Management

The Nomination and Remuneration Committee will review the remuneration of the Senior Management and recommend the same for approval of the Board.

Internally, performance of Individual shall be assessed based on his KRA achieved. Variable Pay increase will be calculated using a combination of individual performance, Business Performance and organizational performance. Compensation shall also be determined based on identified skill sets critical to success of KPTL. As per prevailing process and practice of the Company, the Committee may recommend about increase, restructure and/or other suggestion in respect to remuneration of senior management as it thinks appropriate considering the Performance of Senior Management.

10.2 Recommendation of the Committee

While reviewing and recommending the remuneration of Senior Management of the Company, the Committee shall ensure the following factors.

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Senior Management members of the quality required to run the company successfully.

b) Relationship of remuneration to performance meets appropriate performance benchmarks.

c) There should be appropriate balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

11. REMUNERATION OF EMPLOYEES

The Company believes that composition of remuneration of the Employees should be reasonable and sufficient to attract, retain and motivate Employees. The Company follows salary structure comprising fixed and variable components. The Steering Committee shall review and approve remuneration payable to other Employees (excluding Senior Management) annually. The following remuneration structure is being followed in the Company.

a) **Fixed Components** comprises salary, allowances, perquisites, PF etc.

b) **Variable Components** linked to performance of Individual Employee vis-à- vis performance of the Business and Company. Variable pay shall be determined after end of the financial year in terms of performance management system manual of the Company and KRA achievement of individual Employee.

12. PERFORMANCE MANAGEMENT SYSTEM (PMS)

The Appraisal of Senior management and Staffs shall be as per the extant annual Performance Management System Manual of the Company and is being followed to ensure the following:

- Aligning organization objectives to individual goals
- Fair and Transparent assessment of performance
- Recognizing and Rewarding Performance
- Differentiating High Performance
- Understanding and developing on current and future competencies

The goals are derived from the Company's vision which is translated and aligned to Annual Business Plan. These goals are cascaded to the functional heads /Unit Heads/ Business Heads and from them to the departmental heads, and then to the respective employees in each department. In this manner, the Company's annual business goals are cascaded to all levels in the organization. The employees are rated on the basis of achievements of these goals and also a defined competency framework. The weightages of these depend on the level within the organization.

13. CLARIFICATION AND REVIEW OF THE POLICY

The Committee may, in consultation with the Board, if necessary, review or give necessary clarification and procedural alteration for effective and smooth implementation of the Policy.

The Committee may or Person nominated by him, shall review the Policy as and when it deems necessary.

This Policy may be read with the Employee Handbook of the Company, to the extent relevant or necessary for implementation purpose. However, the Handbook shall not be part of this Policy and always remain with the Company as confidential document.

14. AMENDMENTS IN THE POLICY

This Policy may be amended or substituted by the Committee as circumstances warrant. Modification / amendment / clarification shall be issued only by the KMP in consultation with the Committee.

On behalf of the Board of Directors

Place: Mumbai
Date: May 20, 2020

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Annexure D2 to Board's Report

POLICY ON DIRECTORS' APPOINTMENT INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR

1. CRITERIA / QUALIFICATION FOR APPOINTMENT AS DIRECTOR

A formal and transparent selection and nomination process is critical to gain the confidence and trust of all stakeholders, improve the understanding and efficiency of the processes in practice, and essential to improving Board effectiveness. The suggestive list of criteria for appointment of a person as Director on Board of the company are as follows:

- Should possess formal qualification, relevant experience and track record, integrity etc.
- Should have knowledge on skills, processes, etc.
- Should not be disqualified as per Section 164 of the Companies Act, 2013.
- Should have professional and / or specialist skills in areas of business of the company, having reputation as opinion maker.
- Should posses positive attributes such as Leadership, Industrialist or Business Advisory or such other attributes which are in the best interest of the Company;
- Existing Directorships held in other Companies
- Existing Committee membership / chairmanship in other Companies
- In case of appointment is to be made for Managing Director or Whole time Director or Manager, the appointee must satisfy all conditions stipulated in Part I of Schedule V of Companies Act, 2013.

2. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:

The suggestive lists of criteria for appointment of a person as an Independent Director on the Board of the company are as follows:

- Should have knowledge on skills, processes etc.
- Should possess relevant experience and Qualification to discharge functions of Independent directors.
- Should satisfy the criteria of Independence as provided in Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Should possess relevant skills / expertise so that he can be appointed as Chairman / member of various Board Committees.
- Should devote sufficient time and attention to his professional obligations for informed and balanced decision making
- Should discharge roles and functions and duties as stipulated in Code for Independent Directors as per Schedule IV of the Companies Act, 2013.
- The person to be appointed as an Independent Director of the Company shall not only possess the relevant formal qualifications and experience but shall also possess attributes like integrity and proven track record and shall demonstrate commitment to the organization. For assessing integrity, suitability features like criminal records, civil actions initiated to pursue personal debts, refusal of admission to or expulsion from professional bodies, sanctions applied by regulators or similar bodies, previous questionable business practices etc. shall be considered.

3. CRITERIA FOR APPOINTMENT IN SENIOR MANAGEMENT OF THE COMPANY:

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The suggestive lists of criteria to be considered for appointment in senior management of the company are as follows:

- The candidate should have appropriate experience in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management are relevant for the Company's business

- The candidate should posses the positive attributes such as leadership skills, decision making skills, integrity, effective communication, hard work, commitment and such other attributes which in the opinion of the management the candidate must possess and are in the interest of the Company.
- The candidate must have good insight into the culture of the organization.
- The candidate must possess strategic thinking, creativity and Innovation, Technical credibility, ability to lead people, must be able to Inspire and foster team work.

4. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company ('the Committee') shall review and assess Board composition on behalf of the Board and shall recommend to the Board, the appointment of new directors based on their qualifications, positive attributes and independence.

In reviewing the Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively. The Committee shall also oversee the conduct of the annual review of Board effectiveness.

The Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

5. AMENDMENTS IN THE POLICY

This Policy may be reviewed, amended or substituted by the Board as it think fit.

On behalf of the Board of Directors

Place: Mumbai
Date: May 20, 2020

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Annexure E to Board's Report

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW & OUTFLOW

(A) Conservation of energy-

(i) the steps taken or impact on conservation of energy:

1. Your Company keeps on implementing different Scientific mixture of chemicals along with Flux re-generation plant which is helping it to continuously bring down consumption of chemicals, water and zinc in Galvanizing process

2. In Oil & Gas Pipeline business, your Company has installed Vehicle Tracking System (VTS) in the vehicles, which helps in monitoring the vehicle movement. This has positively impacted fuel consumption in vehicles. Fuel sensors have been introduced in the machineries being used in said Business to monitor fuel usage. This helps the Company in many ways including allowing it to have optimum utilization of fuel through data metrics collected from these sensors by monitoring real time fuel level, fill/drop, fuel consumption rate & trend etc.

3. At Biomass power plants

   a. your Company has carried out in house modification in fuel feeding system by recirculating the excess fuel in to the boiler. This has led to energy saving which was previously consumed in collecting, transporting and refeeding in to the boiler.

   b. your Company replaced 63 No(s) of conventional Lights having electrical load of 4194 Watt with energy efficient LED (Light Emitting Diode) Lights having electrical load of 2350 Watt which resulted into reduction in energy consumption by about 8000 Units per annum.

4. At Uniara power plant

   a. your Company has constructed one reservoir for storage of rain water. The capacity of reservoir is 0.50 Mcft which is equivalent to about 15 days of plant's requirement.

   b. your Company replaced 26 No(s) of conventional Lights having electrical load of 2506 Watt with energy efficient LED (Light Emitting Diode) Lights having electrical load of 720 Watt which resulted into reduction in energy consumption by about 7800 Units per annum.

5. At both the Biomass power plants, your Company has constructed Zero Liquid Discharge, holding & settling chambers and sludge drying beds for use of waste water. The processed water from these chambers is passed through Media Grate Filters for final polishing. This results in re-use of waste water and reduces consumption of fresh water.

6. It is company's continuous endeavor to use energy efficient lights and therefore, the Company keeps on replacing the conventional CFL fittings lights with LED Lights from time to time as per requirement and usage cycle.

(ii) the steps taken by the company for utilising alternate sources of energy:

- Your Company has used apart from the main biomass fuel-Mustard Crop Residue-other alternative biomass fuels for its Biomass Power Plants in order to ensure the availability of biomass in various seasons throughout the year.

(iii) the capital investment on energy conservation equipment: The Company made capital investment of ₹ 0.32 Crore on energy conservation equipment during FY 2019-20.

(B) Technology absorption-

(i) the efforts made towards technology absorption and the benefits derived;

- Your Company has set an objective SPARK to implement Digital Transformation initiatives to enhance quality and ease of operation through Technology intervention. KPTL joined hands with Accenture, one of the leading multi-functional professional service company to form a strategy and Digitalize key business operations like Centralized Project management, P&M & Site Vehicle monitoring, Site Surveys & Progress monitoring through Drones, Material Tracking, Virtual Reality driven Safety & Construction work methods training, On site workmen tracking etc.

- At Raipur Plant, your Company has automated the processes related to material handling of Raw material as well as Finished Goods, Angle/Plate Bending and Plate deburring with primary focus on Inventory reduction, Lead time reduction, Bottleneck operations and cut to size practice.

- Taking further the digitization initiatives at manufacturing plants through online analytics and IOT, during the year under review, your Company has integrated the galvanizing process with ERP system which will now enable the Company to minutely capture data metrics and use the same for process improvement to save cost, energy consumption etc.

- Your Company has reduced plate raw material wastage by bringing in new technology software for planning. It helps the Company in quick and efficient plate nesting thereby reducing the steel waste. Also, the Company has further engineered steel wire requirement in loading components for Galvanizing which leads in reduction of steel wire requirement.

- Your Company has started use of Precast Tower Foundations which has immensely reduced the resource requirements & improved environment protection. Precast foundations are cast at a centralized workshop & transported to the location for final installation. Your company has also successfully tested the Modular Precast foundations in its test bed for structural behavior.

- Your Company has enhanced the tower testing facility in an innovative cost effective approach, to be one of the biggest tower testing facility in the world. KPTL testbed is now capable of testing as high as 37m base width towers.

- Your Company implemented using Ortho Imaging Concept at bidding stage in Railway Projects for Civil work Design thereby facilitating the Company to make necessary changes in Building Construction Designs through which KPTL was able to Quote Best Competitive Bids. Also it developed an Auto LLSP program and Blocks in Autocad Software for Preparation of OHE Layout Plans, Cross section drawings and Structural erection drawings, by which the Company was able to reduce Cost significantly.

- Your Company's Domestic Transmission Business started using high resolution camera and binoculars to trace faults in fittings to avoid any faults during charging of Transmission line resulting into saving of future cost. It provides upright view and improved human visual acuity during inspection of towers. It is also helpful for finding out deviations in final checking of towers in south, east, west and north zone.

- Your Company's Domestic Transmission Business installed Cup anemometer in critical wind prone zones in order to establish a monitoring and recording system of maintaining wind speed data. It is helpful in monitoring wind velocity in highly wind prone areas.

- Your Company started using Laser Distance Meter which sends a pulse of laser light to the target and measures the time it takes for the reflection to return. It has multipurpose use in survey, foundation, erection and stringing works.

- Your Company started using digital PH meter for PH Test of water in place of using PH paper. This will help the Company to identify the degree of acidity or alkalinity in the water used for construction purpose along with whether the solution is basic or acidic, which will improve the construction quality. It provides highly accurate measuring range of 0-14 PH.

- An in house mobile virtual assistant "HR BOT" is developed. The application enables an employee to view pay slips, attendance records, leave balance, loan requests, HR policies and tax projections on his/her handset. An employee can also raise IT and travel requests through the application. A manager can also approve employee leave, loan and travel requests through the application. The application has an additional feature wherein a manager can approve Purchase Order (PO) and CAPEX requests. Using the application, the employee can lodge a grievance, see the status of the grievance and view the reply received to the grievance.

- Every agro waste/ forestry waste has a different chemical composition and reacts differentially in the controlled atmosphere of the Boiler. Different new agro wastes, forestry wastes were mixed and matched with the Mustard Crop Residue (Main fuel) to have optimum Electricity Generation and the Plant Efficiency at Biomass Plants.

  Other than the main fuel i.e. Mustard Crop Residue (MCR), at Padampur Biomass Power Plant, your Company have used about 10% alternate fuels during the year under review.

- **Research and Development:**

  The Company has been continuously putting effort to develop new transmission towers with different

Annexure E to Board's Report

challenges. The Company is doing many research activities in the areas of material weight reduction, alternate material, process design, process improvement etc.

(ii) the benefits derived:

- **Benefits derived as a result of R & D:**

  (a) Market expansion and improved competitive position through significantly improved products for new markets.

  (b) Improved competency for designing process & products for customers.

  (c) Up-gradation of technical skill of employees for higher productivity & more consistent quality.

- **Future Plan of Action:**

  R&D is a continuous activity instead of one-time activity. Therefore, your Company is looking to adapt new and upgraded technologies in order to stay ahead of its competitors. Future R&D efforts will continue along similar lines, as at present, but with more focus, thrust and endeavors.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

a) the details of technology imported; b) the year of import; c) whether the technology been fully absorbed; d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not Applicable

(iv) the expenditure incurred on Research and Development:

(₹ in Crore)

	2019-20
Capital Expenditure	0.16
Revenue Expenditure	13.98
Total	**14.14**
Total R&D expenditure as a percentage of total turnover	0.18%

(C) The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Crore)

Foreign Exchange Earnings	1811.63
Foreign Exchange Outgo	815.80

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 20, 2020

Annexure F to Board's Report

Dividend Distribution Policy

1. INTRODUCTION

1.1. Applicability

1.1.1. The Board of Directors ("**the Board**") of Kalpataru Power Transmission Limited ("**the Company**" or "**KPTL**"), has adopted the following policy with regard to Dividend Distribution ("**Policy**") as defined below in the Board meeting held on February 14, 2017 and the policy shall be effective from February 14, 2017.

1.2. Philosophy

The philosophy of the Company is always to maximize the shareholders' wealth through various means. The Company believes that returning cash to shareholders is an important component of overall value creation. The Company has a consistent Dividend Track Record and the policy of the Company is in line with historic guidelines and trends.

The Company follows a transparent mechanism for declaring dividends and retaining earnings accrued in a given financial year for future capital expenditures, working capital requirements, earmarking reserves for inorganic growth opportunities or for retiring debt and thereafter distributing the surplus profits in the form of dividend to the shareholders.

1.3. Objective

The main objective of this Policy is to regulate the process of dividend declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company while ensuring to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

1.4. Regulatory Framework

1.4.1. Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, which was notified vide Notification dated July 08, 2016 provides that top five hundred listed entities based on their market capitalization calculated as on 31st day of March of every Financial Year shall formulate a Dividend Distribution Policy which shall be disclosed in the annual reports and on the websites of such Company.

1.4.2. The Company has framed this policy as the Company is one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding Financial Year.

1.5. Definitions

1.5.1. "**Act**" means Companies Act, 2013 and Rules made thereunder, including any modifications, amendments or re-enactment thereof.

1.5.2. "**Applicable Laws**" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

1.5.3. "**Board**" means Board of Directors of the Company.

1.5.4. "**Company**" shall mean Kalpataru Power Transmission Limited.

1.5.5. "**Dividend**" shall mean Dividend as defined under Companies Act, 2013 and includes any Interim Dividend.

1.5.6. "**Financial Year**" shall mean the period beginning from April 1, of every year to March 31, of succeeding year.

1.5.7. "**Policy or this Policy**" shall mean Dividend Distribution Policy and as may be amended from time to time.

1.5.8. "**SEBI Regulations or SEBI LODR**" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

1.6. Interpretation

1.6.1. The Clause headings are for ease of reference only and shall not be relevant to interpretation.

1.6.2. A reference to a clause number includes a reference to its sub-clauses.

1.6.3. The words in singular number include the plural and vice versa.

1.6.4. Any term not defined in the Policy shall have the same meaning assigned to it under the Companies Act, 2013 or the SEBI Regulations or Depositories Act, 1996 or Securities and Exchange Board of India Act, 1992.

Annexure F to Board's Report

2. POLICY

2.1. Policy

2.1.1. The Company would endeavor to keep consistence Dividend payment track record except for the reasons to be recorded.

2.1.2. Dividend payout in a particular year shall be determined after considering the operating and financial performance of the Company and the cash requirement for financing the Company's future growth.

2.2. Procedure

2.2.1. The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal which shall be in line with the Parameters mentioned in this Policy.

2.2.2. If the Company proposes to declare dividend on the basis of parameters in addition to this policy or proposes to change such parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in the annual report and on the website.

2.2.3. Pursuant to the provisions of Applicable Laws and this Policy, Interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholder's approval, at the ensuing annual general meeting of the Company. The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

2.3. Parameters for Declaration of Dividend

The Dividend payment decision of the Company depends upon certain Internal (including Financial parameters) and External Factors like:

2.3.1. Internal Factors

a. **Profits Earned**: The extent of stability and magnitude of company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the company.

b. Capital Expenditure Requirements and future working capital requirements

c. **Current and Projected Liquidity Position**: A company's liquidity position also determines the level of dividend. If a company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.

d. **Committed or Projected Cash Flow Requirement**: If a company foresees some profitable investment opportunities including but not limited to Brand/ Business Acquisitions, Expansion / Modernization of existing businesses, Additional investments in subsidiaries/associates of the Company, Fresh investments into external businesses, then it may decide for lower dividend payout and vice-versa.

e. Leverage profile and liabilities of the Company.

f. Any other factor as deemed fit by the Board.

2.3.2. External Factors

a. **Industry Practice**: The nature of industry in which a company is operating, influences the dividend decision. Like the industries with stable demand throughout the year are in a position to have stable earnings and thus declare stable dividends.

b. **Statutory Provisions and Regulatory concern**: The Board should keep in mind the restrictions imposed by Companies Act or any other applicable laws with regard to declaration of dividend and quantum of dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.

c. **Macro-Economic Factors and General Business Environment**: The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.

d. **Fiscal Policy**: The tax policy of the country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the company for declaring dividends.

e. Capital Markets: In case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

2.4. Circumstances under which the Shareholders may not expect Dividend

2.4.1. The shareholders of the Company may not expect Dividend under the following circumstances:

a. Due to operation of any other law in force

b. Due to inadequate profit or losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year

c. Due to any restrictions and covenants contained in any agreement as may be entered into with the Lenders

d. Whenever Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital or undertakes any acquisitions or restructuring

e. Significant higher working capital requirements adversely impacting free cash flow.

f. Whenever it proposes to utilise surplus cash for buy-back of securities

2.5. Utilisation of Retained Earnings

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. These earnings may be utilized for internal financing of various projects of the Company and for fixed as well as working capital. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

2.6. Parameters for Dividend with regard to various classes of Shares

The Company does not have different classes of shares and follows the 'one share, one vote' principle.

3. DISCLOSURE

3.1 The Company shall make appropriate disclosures as required under the SEBI Regulations.

4. GENERAL

4.1 The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Executive Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force. Such amended Policy shall be placed before the Board for noting and necessary ratification at its subsequent meeting.

4.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

On behalf of the Board of Directors

Place: Mumbai
Date: May 20, 2020

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Annexure G to Board's Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	**CIN:-**	L40100GJ1981PLC004281
ii.	**Registration Date**	April 23, 1981
iii.	**Name of the Company**	Kalpataru Power Transmission Limited
iv.	**Category/ Sub-Category of the Company**	Company Limited by Shares Indian Non-Government Company
v.	**Address of the Registered office and contact details**	Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar-382028, Gujarat, India. **Phone** : 079 2321 4000 **Fax** : 079 2321 1966 **Email ID** : cs@kalpatarupower.com
vi.	**Whether listed company Yes / No**	Yes
vii.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	**Link Intime India Pvt. Ltd** 506-508, Amarnath Business Centre -1 Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India. **Phone** : 079 2646 5179 **Fax** : 079 2646 5179 **Email ID** : ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Construction of Utility Projects	422	76.91%
2.	Construction Roads and Railways	421	22.07%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of Company & Address.	CIN / GLN	Holding / Subsidiary / Associate	% Shares held*	Applicable Section
1.	JMC Projects (India) Ltd. A-104, Shapath – 4, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380051	L45200GJ1986PLC008717	Subsidiary	67.75	2(87)(ii)
2.	Shree Shubham Logistics Ltd Plot No. A-1 & A-2, Sector-25, Gandhinagar-382004	U60232GJ2007PLC049796	Subsidiary	100	2(87)(ii)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of Company & Address.	CIN / GLN	Holding / Subsidiary / Associate	% Shares held*	Applicable Section
3.	Energylink (India) Ltd. Plot No. 494/1, Near Lord Ayyappa Temple, Gandhinagar-382007.	U45204GJ2001PLC039169	Subsidiary	100	2(87)(ii)
4.	Amber Real Estate Ltd. 101, Kalpataru Synergy, Santacruz (East), Mumbai -400055	U45200MH2007PLC173306	Subsidiary	100	2(87)(ii)
5.	Adeshwar Infrabuild Ltd. Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U26941GJ2009PLC057757	Subsidiary	100	2(87)(ii)
6.	Kalpataru Metfab Private Limited Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U28113GJ2011PTC064272	Subsidiary	100	2(87)(ii)
7.	Alipurduar Transmission Limited Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U40109GJ2015PLC095114	Subsidiary	100	2(87)(ii)
8.	Kohima-Mariani Transmission Limited** Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U40102GJ2016GOI107260	Subsidiary	74	2(87)(ii)
9.	Kalpataru Power Transmission (Mauritius) Ltd. C/o. International Financial Services Limited, IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
10.	Kalpataru Power Transmission USA INC 7500 Rialto Blvd, Suite 250 Austin, Texas 78735	N.A.	Subsidiary	100	2(87)(ii)
11.	LLC Kalpataru Power Transmission Ukraine "601, 6th Floor, 8A Feodory Pushinoy Street, Kyiv 03115, Ukraine"	N.A.	Subsidiary	100	2(87)(ii)
12.	Kalpataru Power Transmission Sweden AB Metallverksgatan 6, 721 30 , Vasteras, Sweden	N.A.	Subsidiary	100	2(87)(ii)
13.	Linjemontage I Grastorp AB Box 134, 46722, Grastorp, Sweden	N.A.	Subsidiary	85	2(87)(ii)
14.	Linjemontage Service Nordic AB Box 134, 46722, Grastorp, Sweden	N.A.	Subsidiary	85	2(87)(ii)
15.	Linjemontage AS Forretningsadresse: Bjørnstadmyra 7 1712 GRÅLUM, Norway	N.A.	Subsidiary	85	2(87)(ii)
16.	Kalpataru IBN Omairah Company Ltd.*** 6757 Ali Al Maruzi - Al Shohda Dist., Unit No. 33, Riyadh 13241 – 4018, Kingdom of Saudi Arabia	N.A.	Subsidiary	65	2(87)(ii)
17.	JMC Mining and Quarries Ltd. A-104, Shapath – 4, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380051	U45201GJ1996PLC028732	Subsidiary	100	2(87)(ii)
18.	Brij Bhoomi Expressway Pvt. Ltd. 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East) Mumbai -400055	U74900MH2010PTC261958	Subsidiary	100	2(87)(ii)

Annexure G to Board's Report

Sr. No.	Name of Company & Address.	CIN / GLN	Holding / Subsidiary / Associate	% Shares held*	Applicable Section
19.	Wainganga Expressway Pvt. Ltd. 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt Hotel, Santacruz East, Mumbai-400055	U45203MH2011PTC264642	Subsidiary	100	2(87)(ii)
20.	Vindhyachal Expressway Pvt. Ltd. 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt Hotel, Santacruz East, Mumbai-400055	U45203MH2012PTC271978	Subsidiary	100	2(87)(ii)
21.	Saicharan Properties Ltd. 101, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai -400055	U45201MH2006PLC166598	Subsidiary	100	2(87)(ii)
22.	Punarvasu Financial Services Pvt. Ltd. Unit No. 72, 7th floor, Kalpataru Square, Kondivita Lane, Off Andheri Kurla Road, Andheri (E) Mumbai-400059	U67120MH1993PTC073611	Subsidiary	100	2(87)(ii)
23.	Kalpataru Power DMCC, UAE Unit No. 2301, HDS Tower, Plot No. PH1-F2, Jumeirah Lakes Tower, Dubai , UAE	N.A.	Subsidiary	100	2(87)(ii)
24.	Jhajjar KT Transco Pvt. Ltd. Plot No 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U45204GJ2010PTC060815	Associate	49.72	2(6)
25.	Kurukshetra Expressway Pvt. Ltd. Toll Plaza Gangaicha Jaat,NH-71 village Gangaicha Jaat,Mastapur post office Rewari Rewari-123401, Haryana	U45400HR2010PTC040303	Associate	49.57	2(6)

** Representing aggregate % of equity shares held by the Company and/or through its subsidiaries*

*** Kohima-Mariani Transmission Limited is a Joint Venture Company of your Company with Techno Electric & Engineering Company Limited*

**** Kalpataru IBN Omairah Company Limited is a Joint Venture Company of your Company with IBN Omairah Contracting Company Limited*

Note: The Company has no holding company.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (as on April 1, 2019 i.e. on the basis of SHP of March 31, 2019)				No. of Shares held at the end of the year (as on March 31, 2020 i.e. on the basis of SHP of March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters/Promoters Group									
(1) Indian									
a) Individual/HUF	28,911,867	-	28,911,867	18.84	21,991,867	-	21,991,867	14.21	-4.63
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	59,791,796	-	59,791,796	38.96	59,791,796	-	59,791,796	38.65	-0.31
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other									
f-1) Promoter Trust	2,331,000	-	2,331,000	1.52	2,331,000	-	2,331,000	1.51	-0.01
Sub-total(A)(1):	**91,034,663**	**-**	**91,034,663**	**59.32**	**84,114,663**	**-**	**84,114,663**	**54.37**	**-4.95**

Category of Shareholder	No. of Shares held at the beginning of the year (as on April 1, 2019 i.e. on the basis of SHP of March 31, 2019)				No. of Shares held at the end of the year (as on March 31, 2020 i.e. on the basis of SHP of March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total:(A) (2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**91,034,663**	**-**	**91,034,663**	**59.32**	**84,114,663**	**-**	**84,114,663**	**54.37**	**-4.95**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	33,339,556	-	33,339,556	21.73	36,216,988	-	36,216,988	23.41	1.68
b) Banks / FI	28,044	-	28,044	0.02	22,771	-	22,771	0.01	-0.01
c) Central Govt. (IEPF Authority)	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	5,383,227	-	5,383,227	3.51	8,914,856	-	8,914,856	5.76	2.25
g) FIIs / FPIs	6,689,391	1,000	6,690,391	4.36	11,404,305	-	11,404,305	7.37	3.01
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Alternate Investment Funds	44,090	-	44,090	0.03	564,618	-	564,618	0.36	0.34
j) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**45,484,308**	**1,000**	**45,485,308**	**29.64**	**57,123,538**	**-**	**57,123,538**	**36.92**	**7.27**
2. Non Institutions									
a) Bodies Corporate									
i) Indian	5,106,858	6,000	5,112,858	3.33	1,672,346	6,000	1,678,346	1.08	-2.25
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	8,683,954	392,785	9,076,739	5.91	7,609,783	350,610	7,960,393	5.15	-0.77
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	702,078	96,000	798,078	0.52	514,284	96,000	610,284	0.39	-0.13
c) Others (specify)									
c-1) Trusts	-	-	-	-	1,000	-	1,000	0.00	0.00
c-2) Hindu Undivided Family	348,499	-	348,499	0.23	286,253	-	286,253	0.19	-0.04
c-3) Non Resident Indians (Repat)	661,489	6,000	667,489	0.43	642,797	6,000	648797	0.42	-0.02
c-4) Non Resident Indians (Non Repat)	726,974	-	726,974	0.47	786,547	-	786,547	0.51	0.03
c-5) IEPF Authority	102,449	-	102,449	0.07	109,606	-	109,606	0.07	0.00
c-6) Clearing Members	64,489	-	64,489	0.04	141,143	-	141,143	0.09	0.05
c-7) NBFCs registered with RBI	43,024	-	43,024	0.03	-	-	-	-	-0.03
c-8) Foreign Companies	-	-	-	-	12,54,900	-	12,54,900	0.81	0.81
Sub-total (B)(2):-	**16,439,814**	**500,785**	**16,940,599**	**11.03**	**13,018,659**	**458,610**	**13,477,269**	**8,71**	**-2.33**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**61,924,122**	**501,785**	**62,425,907**	**40.68**	**70,142,197**	**458,610**	**70,600,807**	**45.63**	**4.95**
C. Shares held by Custodian for GDRs & ADRs (C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**152,958,785**	**501,785**	**153,460,570**	**100.00**	**154,256,860**	**458,610**	**154,715,470**	**100.00**	**-**

Annexure G to Board's Report

ii) Shareholding of Promoters and Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2019 i.e. on the basis of SHP of March 31, 2019)			Shareholding at the end of the year (as on March 31, 2020 i.e. on the basis of SHP of March 31, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares*	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares*	
1	Kalpataru Constructions Private Ltd.	23,350,000	15.22%	11.05%	23,350,000	15.09%	14.06%	-0.13%
2	K C Holdings Private Ltd.	21,142,600	13.78%	7.71%	21,142,600	13.67%	13.67%	-0.11%
3	Mr. Mofatraj Pukharaj Munot	11,405,822	7.43%	-	10,005,822	6.47%	-	-0.96%
4	Kalpataru Properties Pvt. Ltd.	13,646,196	8.89%	2.27%	13,646,196	8.82%	2.35%	-0.07%
5	Mr. Parag Mofatraj Munot ##	13,463,615	8.77%	4.91%	7,963,615	5.15%	1.19%	-3.62%
6	Ms. Tara Kanga	1,854,130	1.21%	-	1,834,130	1.19%	-	-0.02%
7	Kalpataru Viniyog LLP	1,320,000	0.86%	-	1,320,000	0.85%	-	-0.01%
8	Ms. Sudha Rajesh Golecha	8,71,650	0.57%	-	8,71,650	0.56%	-	-0.01%
9	Ms. Sunita Vijay Choraria	8,71,650	0.57%	-	8,71,650	0.56%	-	-0.01%
10	Kalpataru Holdings Private Ltd	3,33,000	0.22%	-	3,33,000	0.22%	-	-0.00%
11	Mrs. Yasmin Imtiaz Kanga	3,00,000	0.20%	-	3,00,000	0.19%	-	-0.01%
12	Mr. Imtiaz Kanga	1,00,000	0.06%	-	1,00,000	0.06%	-	-0.00%
13	Ms. Chandra Amar Munot	10,000	0.01%	-	10,000	0.01%	-	-0.00%
14	Mr. Jash Choraria	7,000	0.00%	-	7,000	0.00%	-	-0.00%
15	Ms. Khushali Rajesh Golechha	7,000	0.00%	-	7,000	0.00%	-	-0.00%
16	Mr. Rajesh Bhagchand Golechha	7,000	0.00%	-	7,000	0.00%	-	-0.00%
17	Mr. Umang Golechha	7,000	0.00%	-	7,000	0.00%	-	-0.00%
18	Mr. Vijay K Choraria	7,000	0.00%	-	7,000	0.00%	-	-0.00%
19	Aaryaveer Benefit Trust**	7,77,000	0.51%	-	7,77,000	0.50%	-	-0.01%
20	Saachi Benefit Trust**	7,77,000	0.51%	-	7,77,000	0.50%	-	-0.01%
21	Shubhika Benefit Trust**	7,77,000	0.51%	-	7,77,000	0.50%	-	-0.01%
	Total	**91,034,663**	**59.32%**	**25.94%**	**84,114,663**	**54.37%**	**31.27%**	**-4.95%**

* The term "encumbrance" has the same meaning as assigned to it in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Disclosed consolidated position covering holding of Mr. Parag M Munot with Mrs. Monica Parag Munot holding 581,100 shares.

** The Equity shares of Aaryaveer Benefit Trust, Saachi Benefit Trust and Shubhika Benefit Trust is held by Mr. Mofatraj Pukharaj Munot in the capacity of Trustee of the said Trusts.

iii) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2019)		Transaction during the year			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
1	Mr. Mofatraj Pukharaj Munot	11,405,822	7.43%	01 Apr 2019			11,405,822	7.43%
				11 Sep 2019	(14,00,000)	On Market Sale	1,00,05,822	6.47%
				31 Mar 2020	-	-	1,00,05,822	6.47%
2	Mr. Parag Mofatraj Munot	13,463,615	8.77%	01 Apr 2019			13,463,615	8.77%
				11 Sep 2019	(55,00,000)	On Market Sale	79,63,615	5.15%
				31 Mar 2020	-	-	79,63,615	5.15%
3	Ms. Tara Kanga	1,854,130	1.21%	01 Apr 2019			1,854,130	1.21%
				26 Sep 2019	(20,000)	On Market Sale	1,834,130	1.19%
				31 Mar 2020	-	-	1,834,130	1.19%

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2019)		Transaction during the year			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
1	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	1,33,48,217	8.6276	01 Apr 2019			1,33,48,217	8.6276
				05 Apr 2019	3,61,150	Transfer	1,37,09,367	8.8610
				12 Apr 2019	1,57,855	Transfer	1,38,67,222	8.9630
				19 Apr 2019	18,110	Transfer	1,38,85,332	8.9748
				26 Apr 2019	2,11,200	Transfer	1,40,96,532	9.1113
				10 May 2019	95,000	Transfer	1,41,91,532	9.1727
				17 May 2019	3,570	Transfer	1,41,95,102	9.1750
				13 Sep 2019	7,15,100	Transfer	1,49,10,202	9.6372
	At the end of the year						1,49,10,202	9.6372
2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	51,10,255	3.3030	01 Apr 2019			51,10,255	3.3030
				12 Apr 2019	6,355	Transfer	51,16,610	3.3071
				10 May 2019	(27,914)	Transfer	50,88,696	3.2891
				24 May 2019	5,428	Transfer	50,94,124	3.2926
				21 Jun 2019	(65,311)	Transfer	50,28,813	3.2504
				29 Jun 2019	35,261	Transfer	50,64,074	3.2732
				05 Jul 2019	3	Transfer	50,64,077	3.2732
				12 Jul 2019	(13,727)	Transfer	50,50,350	3.2643
				26 Jul 2019	(36,707)	Transfer	50,13,643	3.2406
				02 Aug 2019	(30,527)	Transfer	49,83,116	3.2208
				09 Aug 2019	(49,919)	Transfer	49,33,197	3.1886
				16 Aug 2019	(1,39,240)	Transfer	47,93,957	3.0986
				30 Aug 2019	2,76,198	Transfer	50,70,155	3.2771
				06 Sep 2019	2,63,567	Transfer	53,33,722	3.4474
				13 Sep 2019	37,104	Transfer	53,70,826	3.4714
				20 Sep 2019	(1,87,093)	Transfer	51,83,733	3.3505
				27 Sep 2019	(60,608)	Transfer	51,23,125	3.3113
				30 Sep 2019	(28,749)	Transfer	50,94,376	3.2927
				04 Oct 2019	28,273	Transfer	51,22,649	3.3110
				11 Oct 2019	3,761	Transfer	51,26,410	3.3134
				25 Oct 2019	(1,596)	Transfer	51,24,814	3.3124
				08 Nov 2019	(55)	Transfer	51,24,759	3.3124
				22 Nov 2019	(9,130)	Transfer	51,15,629	3.3065
				29 Nov 2019	(21,714)	Transfer	50,93,915	3.2924
				13 Dec 2019	18,022	Transfer	51,11,937	3.3041
				20 Dec 2019	(34,519)	Transfer	50,77,418	3.2818
				27 Dec 2019	75,573	Transfer	51,52,991	3.3306
				31 Dec 2019	686	Transfer	51,53,677	3.3311
				03 Jan 2020	(702)	Transfer	51,52,975	3.3306
				17 Jan 2020	1,43,797	Transfer	52,96,772	3.4236
				24 Jan 2020	2,49,266	Transfer	55,46,038	3.5847
				31 Jan 2020	1,90,438	Transfer	57,36,476	3.7078
				07 Feb 2020	63,111	Transfer	57,99,587	3.7486
				14 Feb 2020	46,681	Transfer	58,46,268	3.7787
				21 Feb 2020	46,538	Transfer	58,92,806	3.8088
				06 Mar 2020	12,056	Transfer	59,04,862	3.8166
				13 Mar 2020	(45,606)	Transfer	58,59,256	3.7871
				20 Mar 2020	(29,441)	Transfer	58,29,815	3.7681
				27 Mar 2020	1,00,129	Transfer	59,29,944	3.8328
				31 Mar 2020	(29,447)	Transfer	59,00,497	3.8138
	At the end of the year						59,00,497	3.8138

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Sr. No.	Name	Shareholding at the beginning of the year (01-04-2019)		Transaction during the year			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
3	KOTAK EMERGING EQUITY SCHEME	1,17,503	0.0759	01 Apr 2019			1,17,503	0.0759
				05 Apr 2019	(7,503)	Transfer	1,10,000	0.0711
				12 Apr 2019	86,347	Transfer	1,96,347	0.1269
				19 Apr 2019	1,13,653	Transfer	3,10,000	0.2004
				17 May 2019	58,000	Transfer	3,68,000	0.2379
				12 Jul 2019	5,00,000	Transfer	8,68,000	0.5610
				26 Jul 2019	25,000	Transfer	8,93,000	0.5772
				02 Aug 2019	2,511	Transfer	8,95,511	0.5788
				16 Aug 2019	2,31,225	Transfer	11,26,736	0.7283
				23 Aug 2019	1,10,111	Transfer	12,36,847	0.7994
				30 Aug 2019	18,566	Transfer	12,55,413	0.8114
				20 Sep 2019	2,27,000	Transfer	14,82,413	0.9582
				11 Oct 2019	565	Transfer	14,82,978	0.9585
				18 Oct 2019	76,665	Transfer	15,59,643	1.0081
				25 Oct 2019	62,100	Transfer	16,21,743	1.0482
				01 Nov 2019	98,000	Transfer	17,19,743	1.1116
				08 Nov 2019	3,64,664	Transfer	20,84,407	1.3473
				15 Nov 2019	3,03,335	Transfer	23,87,742	1.5433
				06 Dec 2019	1,900	Transfer	23,89,642	1.5445
				13 Dec 2019	10,000	Transfer	23,99,642	1.5510
				20 Dec 2019	(26,288)	Transfer	23,73,354	1.5340
				27 Dec 2019	5,00,000	Transfer	28,73,354	1.8572
				21 Feb 2020	6,63,600	Transfer	35,36,954	2.2861
				28 Feb 2020	2,78,862	Transfer	38,15,816	2.4663
				06 Mar 2020	12,2978	Transfer	39,38,794	2.5458
				13 Mar 2020	1,18,430	Transfer	40,57,224	2.6224
				20 Mar 2020	1,65,256	Transfer	42,22,480	2.7292
				27 Mar 2020	1,31,931	Transfer	43,54,411	2.8145
				31 Mar 2020	36,072	Transfer	43,90,483	2.8378
	At the end of the year						**43,90,483**	**2.8378**
4	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA SMALL CAP FUND	37,95,208	2.4530	01 Apr 2019			37,95,208	2.4530
				05 Apr 2019	(50,000)	Transfer	37,45,208	2.4207
				24 May 2019	(3,552)	Transfer	37,41,656	2.4184
				31 May 2019	(2,26,910)	Transfer	35,14,746	2.2717
				14 Jun 2019	(4,400)	Transfer	35,10,346	2.2689
				21 Jun 2019	(54,174)	Transfer	34,56,172	2.2339
				29 Jun 2019	(20,000)	Transfer	34,36,172	2.2210
				05 Jul 2019	(2,70,000)	Transfer	31,66,172	2.0464
				19 Jul 2019	(1,00,000)	Transfer	30,66,172	1.9818
				06 Sep 2019	(37,000)	Transfer	30,29,172	1.9579
				27 Sep 2019	(51,000)	Transfer	29,78,172	1.9249
				11 Oct 2019	1,500	Transfer	29,79,672	1.9259
				18 Oct 2019	70,000	Transfer	30,49,672	1.9711
				25 Oct 2019	46,500	Transfer	30,96,172	2.0012
				01 Nov 2019	25,000	Transfer	31,21,172	2.0174
				15 Nov 2019	97,810	Transfer	32,18,982	2.0806
				22 Nov 2019	20,000	Transfer	32,38,982	2.0935
				29 Nov 2019	25,000	Transfer	32,63,982	2.1097
				06 Dec 2019	25,000	Transfer	32,88,982	2.1258
				13 Dec 2019	20,000	Transfer	33,08,982	2.1388
				20 Dec 2019	15,600	Transfer	33,24,582	2.1488
				27 Dec 2019	31,590	Transfer	33,56,172	2.1693
				14 Feb 2020	(6,918)	Transfer	33,49,254	2.1648
				06 Mar 2020	12,000	Transfer	33,61,254	2.1725
	At the end of the year						**33,61,254**	**2.1725**

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2019)		Transaction during the year			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
5	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	10,59,306	0.6847	01 Apr 2019			10,59,306	0.6847
				17 May 2019	(6,791)	Transfer	10,52,515	0.6803
				24 May 2019	32	Transfer	10,52,547	0.6803
				05 Jul 2019	32	Transfer	10,52,579	0.6803
				26 Jul 2019	32	Transfer	10,52,611	0.6804
				02 Aug 2019	(9,700)	Transfer	10,42,911	0.6741
				16 Aug 2019	(23,413)	Transfer	10,19,498	0.6590
				23 Aug 2019	(19,652)	Transfer	9,99,846	0.6462
				30 Aug 2019	(157)	Transfer	9,99,689	0.6461
				13 Sep 2019	23,00,000	Transfer	32,99,689	2.1327
				27 Sep 2019	(2,40,290)	Transfer	30,59,399	1.9774
				30 Sep 2019	31	Transfer	30,59,430	1.9775
				04 Oct 2019	(39,015)	Transfer	30,20,415	1.9522
				11 Oct 2019	31	Transfer	30,20,446	1.9523
				18 Oct 2019	4	Transfer	30,20,450	1.9523
				25 Oct 2019	31	Transfer	30,20,481	1.9523
				01 Nov 2019	(11)	Transfer	30,20,470	1.9523
				15 Nov 2019	3,319	Transfer	30,23,789	1.9544
				22 Nov 2019	66,931	Transfer	30,90,720	1.9977
				29 Nov 2019	(1,29,989)	Transfer	29,60,731	1.9137
				13 Dec 2019	32,155	Transfer	29,92,886	1.9344
				20 Dec 2019	7,174	Transfer	30,00,060	1.9391
				27 Dec 2019	24	Transfer	30,00,084	1.9391
				10 Jan 2020	31	Transfer	3000115	1.9391
				24 Jan 2020	(1,12,332)	Transfer	28,87,783	1.8665
				31 Jan 2020	31	Transfer	28,87,814	1.8665
				07 Feb 2020	(11,486)	Transfer	28,76,328	1.8591
				14 Feb 2020	16	Transfer	28,76,344	1.8591
				06 Mar 2020	80	Transfer	28,76,424	1.8592
				20 Mar 2020	48	Transfer	28,76,472	1.8592
				27 Mar 2020	64	Transfer	28,76,536	1.8592
				31 Mar 2020	32	Transfer	28,76,568	1.8593
	At the end of the year						**28,76,568**	**1.8593**
6	IDFC STERLING VALUE FUND	24,83,754	1.6054	01 Apr 2019			24,83,754	1.6054
				05 Apr 2019	10,000	Transfer	24,93,754	1.6118
				12 Apr 2019	10,000	Transfer	25,03,754	1.6183
				26 Apr 2019	(1,06,979)	Transfer	23,96,775	1.5492
				17 May 2019	8,389	Transfer	24,05,164	1.5546
				24 May 2019	(6,410)	Transfer	23,98,754	1.5504
				05 Jul 2019	(9,985)	Transfer	23,88,769	1.5440
				26 Jul 2019	6,409	Transfer	23,95,178	1.5481
				27 Sep 2019	(22,000)	Transfer	23,73,178	1.5339
				22 Nov 2019	163	Transfer	23,73,341	1.5340
				06 Dec 2019	9,837	Transfer	23,83,178	1.5404
				13 Dec 2019	20,000	Transfer	24,03,178	1.5533
				20 Dec 2019	40,000	Transfer	24,43,178	1.5791
				27 Dec 2019	20,000	Transfer	24,63,178	1.5921
				10 Jan 2020	5,000	Transfer	24,68,178	1.5953
				21 Feb 2020	1,13,412	Transfer	25,81,590	1.6686
				28 Feb 2020	35,000	Transfer	26,16,590	1.6912
	At the end of the year						**26,16,590**	**1.6912**

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Sr. No.	Name	Shareholding at the beginning of the year (01-04-2019)		Transaction during the year			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
7	DSP SMALL CAP FUND	31,26,871	2.0210	01 Apr 2019			31,26,871	2.0210
				10 May 2019	(89,000)	Transfer	30,37,871	1.9635
				17 May 2019	(1,65,785)	Transfer	28,72,086	1.8564
				24 May 2019	(1,24,854)	Transfer	27,47,232	1.7757
				05 Jul 2019	(51,576)	Transfer	26,95,656	1.7423
				26 Jul 2019	(21,993)	Transfer	26,73,663	1.7281
				06 Sep 2019	(50,000)	Transfer	26,23,663	1.6958
				24 Jan 2020	15,173	Transfer	26,38,836	1.7056
				28 Feb 2020	(40,729)	Transfer	25,98,107	1.6793
				06 Mar 2020	(28,338)	Transfer	25,69,769	1.6610
				13 Mar 2020	(9,769)	Transfer	25,60,000	1.6547
				20 Mar 2020	(112)	Transfer	25,59,888	1.6546
	At the end of the year						25,59,888	1.6546
8	THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUSTEE OF NOMURA INDIA STOCK MOTHER FUND	0	0.0000	01 Apr 2019			0	0.0000
				13 Sep 2019	23,00,000	Transfer	23,00,000	1.4866
	At the end of the year						23,00,000	1.4866
9	HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	21,20,255	1.3704	01 Apr 2019			21,20,255	1.3704
				05 Apr 2019	(70,052)	Transfer	20,50,203	1.3251
				12 Apr 2019	(50,000)	Transfer	20,00,203	1.2928
				31 May 2019	29,246	Transfer	20,29,449	1.3117
				14 Jun 2019	40,016	Transfer	20,69,465	1.3376
				05 Jul 2019	92,695	Transfer	21,62,160	1.3975
				26 Jul 2019	17,184	Transfer	21,79,344	1.4086
	At the end of the year						21,79,344	1.4086
10	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND	22,57,329	1.4590	01 Apr 2019			22,57,329	1.4590
				12 Apr 2019	(11,214)	Transfer	22,46,115	1.4518
				17 May 2019	(71,665)	Transfer	21,74,450	1.4055
				05 Jul 2019	(30,000)	Transfer	21,44,450	1.3861
				19 Jul 2019	(16,131)	Transfer	21,28,319	1.3756
				02 Aug 2019	(10,000)	Transfer	21,18,319	1.3692
				09 Aug 2019	(50,000)	Transfer	20,68,319	1.3369
				20 Sep 2019	4,217	Transfer	20,72,536	1.3396
				27 Sep 2019	12,278	Transfer	20,84,814	1.3475
				29 Nov 2019	(16,594)	Transfer	20,68,220	1.3368
				13 Dec 2019	(1,744)	Transfer	20,66,476	1.3357
				20 Dec 2019	(25,000)	Transfer	20,41,476	1.3195
				31 Jan 2020	(5,000)	Transfer	20,36,476	1.3163
				06 Mar 2020	(1,285)	Transfer	20,35,191	1.3154
	At the end of the year						20,35,191	1.3154
11	TATA MUTUAL FUND - TATA HYBRID EQUITY FUND	24,91,553	1.6104	01 Apr 2019			24,91,553	1.6104
				07 Jun 2019	12,100	Transfer	25,03,653	1.6182
				29 Jun 2019	55,000	Transfer	25,58,653	1.6538
				30 Aug 2019	(55,000)	Transfer	25,03,653	1.6182
				31 Dec 2019	(12,100)	Transfer	24,91,553	1.6104
				17 Jan 2020	(3,66,000)	Transfer	21,25,553	1.3738
				24 Jan 2020	(2,20,000)	Transfer	19,05,553	1.2316
				31 Jan 2020	(86,000)	Transfer	18,19,553	1.1761
				07 Feb 2020	(50,000)	Transfer	17,69,553	1.1437
				20 Mar 2020	(1,55,853)	Transfer	16,13,700	1.0430
	At the end of the year						16,13,700	1.0430

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2019)		Transaction during the year			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
12	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	16,35,817	1.0573	01 Apr 2019			16,35,817	1.0573
				31 May 2019	(82,450)	Transfer	15,53,367	1.0040
				07 Jun 2019	(58,000)	Transfer	14,95,367	0.9665
				29 Jun 2019	(54,820)	Transfer	14,40,547	0.9311
				02 Aug 2019	(50,000)	Transfer	13,90,547	0.8988
				30 Aug 2019	(47,994)	Transfer	13,42,553	0.8678
				27 Sep 2019	(71,580)	Transfer	12,70,973	0.8215
				15 Nov 2019	(16,2921)	Transfer	11,08,052	0.7162
				29 Nov 2019	2,39,000	Transfer	13,47,052	0.8707
				20 Dec 2019	32,860	Transfer	13,79,912	0.8919
	At the end of the year						13,79,912	0.8919
13	SBI MAGNUM MULTICAP FUND	22,97,600	1.4850	01 Apr 2019			22,97,600	1.4850
				17 May 2019	(30,000)	Transfer	22,67,600	1.4657
				05 Jul 2019	(5,40,485)	Transfer	17,27,115	1.1163
				18 Oct 2019	(3,00,000)	Transfer	14,27,115	0.9224
				25 Oct 2019	(3,06,164)	Transfer	11,20,951	0.7245
				01 Nov 2019	(1,92,172)	Transfer	9,28,779	0.6003
				08 Nov 2019	(4,12,310)	Transfer	5,16,469	0.3338
				15 Nov 2019	(4,32,106)	Transfer	84,363	0.0545
				22 Nov 2019	(84,363)	Transfer	0	0.0000
	At the end of the year						0	0.0000

Notes:

1) Shareholding has been consolidated based on Permanent Account Number (PAN) of shareholder

2) % of total shares of the Company is based on paid up capital of the Company at the end of the year.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2019)		Date	Increase / (decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of shares held	% of total shares of the Company				No. of shares held	% of total shares of the Company
	DIRECTORS							
1	Mofatraj Pukharaj Munot	1,14,05,822	7.43%	01-Apr-19	-	-	1,14,05,822	7.43%
				11-Sep-19	(1400000)	On Market Sale	10,005,822	6.47%
	At the end of the year			31-Mar-20	-	-	10,005,822	6.47%
2	Parag M. Munot	1,34,63,615	8.77	01-Apr-19	-	-	1,34,63,615	8.77%
				11-Sep-19	(55,00,000)	On Market Sale	79,63,615	5.15%
	At the end of the year			31-Mar-20	-	-	79,63,615	5.15%
3	Sajjanraj Mehta	10,000	0.01	01-Apr-19	-	-	10,000	0.01
	At the end of the year			31-Mar-20	-	-	10,000	0.01
4	Imtiaz Kanga	1,00,000	0.07	01-Apr-19	-	-	1,00,000	0.07
	At the end of the year			31-Mar-20	-	-	1,00,000	0.07
5	Sanjay Dalmia	16,100	0.01	01-Apr-19	-	-	16,100	0.01
	At the end of the year			31-Mar-20	-	-	16,100	0.01

Annexure G to Board's Report

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24,778.34	40,000.00	-	64,778.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not Due	99.44	1,725.89	-	1,825.33
Total (i+ii+iii)	**24,877.78**	**41,725.89**	**-**	**66,603.67**
Change in Indebtedness during the financial year				
Addition	72,775.35	1,021.68	-	73,797.03
Reduction	-4,028.42	-	-	-4,028.42
Net Change	**68,746.93**	**1,021.68**	**-**	**69,768.61**
Indebtedness at the end of the financial year				
i) Principal Amount	93,506.80	40,000.00	-	1,33,506.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	117.91	2,747.57	-	2,865.48
Total (i+ii+iii)	**93,624.71**	**42,747.57**	**-**	**1,36,372.28**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Mr. Mofatraj P. Munot, Executive Chairman	Mr. Manish Mohnot Managing Director & CEO	Mr. Sanjay Dalmia, Executive Director	Total Amt.
1	**Gross Salary**				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4.40	3.64	1.99	**10.03**
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	0.01	0.01	**0.02**
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	**-**
2	**Stock Options**	-	-	-	**-**
3	**Sweat Equity**	**-**	**-**	**-**	**-**
4	**Commission**	7.50	6.38	2.63	**16.51**
	As % profit				
5.	**Others, specify**	-	-	-	**-**
	TOTAL (A)	**11.90**	**10.03**	**4.63**	**26.56**
	CEILING AS PER THE ACT				**58.71**
	(being 10% of the net profits of the Company calculated as per Section 198 of the Act)				

The above remuneration is inclusive of Employer's contribution to Provident fund.

B. Remuneration to other Directors

1. Independent Directors

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of Director					Total Amt.
		Mr. Sajjanraj Mehta	Mr. Vimal Bhandari	Mr. Narayan K. Seshadri	Ms. Anjali Seth	Mr. K.V. Mani	
1	- Fee for attending Board / Committee meetings	0.08	0.07	0.06	0.04	0.04	**0.29**
2	- Commission	0.41	0.27	0.27	0.14	0.11	**1.20**
3	- Others, please specify	-	-	-	-	-	**-**
	TOTAL (B1)	**0.49**	**0.34**	**0.33**	**0.18**	**0.15**	**1.49**

2. Other Non-Executive Directors

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of Director		Total Amt.
		Mr. Parag M. Munot	Mr. Imtiaz Kanga	
1	- Fee for attending Board / Committee meetings	0.05	0.02	**0.07**
2	- Commission	1.28	0.09	**1.37**
3	- Others, please specify	-	-	**-**
	TOTAL (B2)	**1.33**	**0.11**	**1.44**
	TOTAL B = B1 + B2			**2.93**
	TOTAL MANAGERIAL REMUNERATION*			**29.49**
	OVERALL CEILING AS PER ACT (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			**5.87**

*Total Remuneration to Executive Directors and other Directors (being the total of A and B)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Mr. Ram Patodia, Chief Financial Officer	Mr. Rajeev Kumar Company Secretary*	Mr. Basant Kumar Parasramka Company Secretary**	Total Amt.
1	**Gross Salary**				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.42	0.46	0.81	**2.69**
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.01	-	-	**0.01**
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	**-**
2	**Stock Options**	-	-	-	**-**
3	**Sweat Equity**	-	-	-	**-**
4	**Commission**	-	-	-	**-**
	- As % profit				
	- Others, specify				
5	**Others, please specify**	-	-	-	**-**
	TOTAL	**1.43**	**0.46**	**0.81**	**2.70**

* Mr. Rajeev Kumar appointed as Company Secretary of the Company w.e.f. November 6, 2019. Further, the above remuneration is for the period from August 01, 2020. His remuneration for the period from appointment as Company Secretary is ₹ 27.50 lakhs.

** Mr. Basant Kumar Parasramka superannuated on October 3, 2019 and accordingly, ceased to be Company Secretary w.e.f October 3, 2019.

Note: The above remuneration is inclusive of Employer's contribution to Provident fund.

Annexure G to Board's Report

VII. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NOT APPLICABLE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NOT APPLICABLE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NOT APPLICABLE		
Compounding					

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN:00046905

Place: Mumbai
Date : May 20, 2020

Report on Corporate Governance

I. Company's philosophy on Corporate Governance

KPTL's philosophy on Corporate Governance is built on strong foundation of transparency, compliance, ethics, accountability, responsibility, values and trust. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

KPTL's essential character revolves around its strong set of core values i.e. Business Ethics, Customer Centricity and Quality. We believe that Corporate Governance is a voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to our stakeholders needs. KPTL strongly believes that the best Corporate Governance practices have been the key enablers in enhancing stakeholders' trust & confidence, attracting & retaining financial & human capital and meeting societal aspirations.

At KPTL, the Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of our stakeholders.

The Company is in compliance, in letter and spirit, with the requirements stipulated under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable, with regards to corporate governance.

Towards achievement of this philosophy, during the year under review, KPTL's management systems were certified with ISO 37001:2016. It is a benchmark for corporate compliance program with focus on anti-bribery and anti-corruption practices and is the new international standard designed to help organizations implement an anti-bribery management system.

II. Board of Directors

A. Composition of the Board

As on March 31, 2020, the Board of Directors of the Company had 10 Directors, comprising of 7 Non-Executive Directors, 2 Executive Directors (including Executive Chairman) and 1 Managing Director & CEO. Out of 7 Non-Executive Directors, 5 are Independent Directors including 1 Woman Director. No Directors are related to each other except Mr. Mofatraj P. Munot and Mr. Parag M. Munot, who are related as Father and Son. The Board structure is in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The shareholders of the Company at 38th Annual General Meeting held on 30th July, 2019 approved the re-appointment of Mr. Sajjanraj Mehta, Mr. Vimal Bhandari, Mr. Narayan K. Seshadri and Mr. K. V. Mani as Independent Directors of the Company for a second consecutive term of 5 years w.e.f. 1st April, 2019.

Further, the shareholders at their meeting held on 30th July, 2019 have also approved regularization of Mr. Sanjay Dalmia as Director who was appointed as Additional Director in the category of Executive Director for a period of 3 years w.e.f 8th August, 2019.

The tenure of Mr. Manish Mohnot, Managing Director & CEO was due to expire on 31st March, 2020 and therefore, the Board of Directors at its meeting held on 4th March, 2020 approved his re-appointment for further period of 5 years w.e.f 1st April, 2020 subject to approval of shareholders at ensuing Annual General Meeting. The tenure of Ms. Anjali Seth, Independent Director was due to expire on 18th May, 2020 and in this regards, the Board of Directors approved the re-appointment of Ms. Anjali Seth as an Independent Director for further period of 5 years w.e.f 19th May, 2020, subject however to the approval of shareholders.

None of the Directors of the Company is on the Board of more than 7 listed companies including as an Independent Director. Further, none of the Directors of the Company is acting as a Whole Time Director / Managing Director of any listed Company as well as Independent Director in more than 3 listed companies. None of the Directors of the Company is a Member of more than 10 Committees and no Director is the Chairperson of more than 5 committees across all the public limited companies

Report on Corporate Governance

in which he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors. For the purpose of determination of limit, Chairpersonship and Membership of the Audit Committee and the Stakeholders' Relationship Committee have been considered.

B. Meetings of Board of Directors

During the year ended 31st March, 2020, the Board met 6 times on 9th May, 2019, 2nd July, 2019, 30th July, 2019, 6th November, 2019, 10th February, 2020 and 4th March, 2020. The maximum time gap between any two meetings was 99 days. All Information as required under Regulation 17 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board of Directors. The Company has complied with the provisions of Secretarial Standards on Board Meetings (SS-1) issued by the Institute of Company Secretaries of India with respect to convening of Board Meetings during the year.

C. Directorship held and Directors' attendance

The names of the other listed entities where Directors of the Company hold directorships and the category of directorship held in such listed entity as on 31st March, 2020 are as under:

Name of the Directors	Name of Other Listed Entity where Director of KPTL is a Director	Category of Directorship held in such Listed entity
Mr. Mofatraj P. Munot	NIL	-
Mr. Parag M. Munot	NIL	-
Mr. Sajjanraj Mehta	NIL	-
Mr. Vimal Bhandari	Bharat Forge Ltd JK Tyre & Industries Limited DCM Shriram Limited	Independent Director Independent Director Independent Director
Mr. Narayan K. Seshadri	PI Industries Limited Astrazeneca Pharma India Limited Magma Fincorp Limited Wabco India Limited * CG Power and Industrial Solutions Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
Mr. K. V. Mani	Caprihans India Limited	Independent Director
Ms. Anjali Seth	Caprihans India Limited Endurance Technologies Limited JMC Projects (India) Limited Centrum Capital Limited Nirlon Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
Mr. Imtiaz I. Kanga	NIL	-
Mr. Manish Mohnot	JMC Projects (India) Limited	Non-Executive - Non Independent Director
Mr. Sanjay Dalmia	NIL	-

* Term ended on 31st March, 2020

The name and category of Directors on the Board of KPTL, their attendance at the Board meetings held during the year and also at the last Annual General Meeting, the number of Directorships and Committee Memberships and Chairpersonships held by them in other Indian companies as on 31st March, 2020 are given below:

Name of the Directors	Category	Attendance at		No. of		
		Board Meetings	Last AGM	Other Directorship#	Other Committee Chairpersonship*	Other Committee Membership*
Mr. Mofatraj P. Munot	Executive Chairman (Promoter)	6	Yes	12	-	-
Mr. Parag M. Munot	Non – Executive (Promoter)	5	Yes	13	-	1
Mr. Sajjanraj Mehta	Non - Executive (Independent)	6	Yes	2	1	1

Name of the Directors	Category	Attendance at		No. of		
		Board Meetings	Last AGM	Other Director-ship#	Other Committee Chairpersonship*	Other Committee Membership*
Mr. Vimal Bhandari	Non - Executive (Independent)	6	Yes	5	1	1
Mr. Narayan K. Seshadri	Non - Executive (Independent)	5	Yes	18@	3	6
Mr. K. V. Mani	Non – Executive (Independent)	5	Yes	1	-	1
Ms. Anjali Seth	Non - Executive (Independent) Woman Director	5	Yes	7	2	4
Mr. Imtiaz I. Kanga	Non – Executive (Promoter Group)	3	Yes	17	-	-
Mr. Manish Mohnot	Managing Director & CEO	6	Yes	6	-	1
Mr. Sanjay Dalmia	Executive Director	4	Yes	-	-	-

Including Private Limited Companies.

* Represents Memberships/Chairpersonships of Audit Committee & Stakeholders' Relationship Committee of public limited companies only

@ Term ended as Director in one Company on 31st March, 2020

D. Separate meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Independent Directors of the Company met once during a year, without the attendance of Non-Independent Directors and Members of the Management.

The Independent Directors reviewed performance of Non Independent Directors, Chairman of the Company and the performance of the Board as a whole. The Independent Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The feedback of the Meeting was shared with the Chairman of the Company.

E. Confirmation of Independence

In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and are independent of the management.

F. Directors' Profile

In case of appointment or re-appointment of Director (s), a brief resume of Director(s), nature of their expertise in specific functional areas and company names in which they hold Directorships, Memberships/ Chairmanships of Board Committees, and shareholding in the Company are provided in the Notice of the Annual General Meeting annexed to this Annual Report.

G. Code of Conduct

The Board has laid down code of conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at www.kalpatarupower.com.

All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director & CEO confirming the compliance of the Code of Conduct as required under Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained and is given below: :

Report on Corporate Governance

DECLARATION

All Board Members and Senior Management Personnel have, for the year ended March 31, 2020 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For Kalpataru Power Transmission Limited

Place: Mumbai
Date : 20 May, 2020

Manish Mohnot
Managing Director & CEO

III. Audit Committee:

The Audit Committee comprises of 4 Directors out of which 3 are Independent Directors and 1 is Executive Director. The Chairman of the Audit Committee is an Independent Director.

The Company is in compliance of the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of Audit Committee.

The Audit Committee has the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, as it considers necessary.

The role and responsibilities of the Committee include the perusal and review of information specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter-alia including the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices & reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - modified opinion (s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings & follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Additionally, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor
- Statement of deviations:

    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

    b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Report on Corporate Governance

The Committee met 7 times during the year on 9th May, 2019, 2nd July, 2019, 30th July, 2019, 14th October, 2019, 6th November, 2019, 10th February, 2020 and 4th March, 2020 and the attendance of Members at the Meetings were as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Sajjanraj Mehta	Non-Executive-Independent	Chairman	7/7
Mr. Mofatraj P. Munot	Executive-Promoter	Member	7/7
Mr. Vimal Bhandari	Non-Executive-Independent	Member	6/7
Mr. Narayan K. Seshadri	Non-Executive-Independent	Member	6/7

The Managing Director & CEO, Chief Financial Officer, representatives of Statutory Auditors and Internal Auditor are the regular invitees to the Committee Meetings. Other executives including Business Unit Heads are invited as and when required. The Cost Auditors is invited to attend the Audit Committee meeting where cost audit report is discussed. The Company Secretary of the Company is the Secretary of the Committee.

The Audit Committee has reviewed management discussion and analysis of financial condition and results of operations, statement of significant related party transactions as submitted by the management, if any, and other information as mentioned in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 30th July, 2019.

IV. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of 3 Directors out of which 2 are Independent Directors and 1 is Executive Director. The Chairman of the Committee is an Independent Director. The composition of the Committee adheres to the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The role of the Nomination and Remuneration Committee as specified in Part D of the Schedule II, inter-alia includes following:

1. To formulate criteria for determining qualification, positive attributes & Independence of director and recommend to board a policy relating to remuneration for the Directors, KMP and other employees;
2. To formulate criteria for evaluation of performance of Independent Directors and Board;
3. To devise a policy on diversity of Board of Directors;
4. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. recommend to the board, all remuneration, in whatever form, payable to senior management;
7. To perform any other functions as may be assigned to Committee by the Board from time to time.

The Committee met 5 times during the year on 9th May, 2019, 30th September, 2019, 6th November, 2019, 10th February, 2020 and 4th March, 2020 and the attendance of Members at the Meeting is as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Vimal Bhandari	Non-Executive-Independent	Chairman	5/5
Mr. Mofatraj P. Munot	Executive-Promoter	Member	5/5
Mr. Sajjanraj Mehta	Non-Executive-Independent	Member	4/5

Performance Evaluation

The Board has prepared performance evaluation policy for evaluating performance of Individual Directors including Chairman of the Company, Board as a whole and its Committees thereof. The criteria of the Board evaluation includes Board composition, talent, experience and knowledge, presentations and discussions at the Board Meeting, frequency of the Board Meeting, feedback and suggestion given to the management, participation in the discussion etc.

The performance of Non-Independent Directors including Chairman of the Company and the Board as a whole, after taking views of the Executive and Non-Executive Directors were evaluated by the Independent Directors at their Meeting held on 20th May, 2020.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own, the Non Independent and Independent Directors individually as well as the evaluation of the working of various Committees at their Meetings held on 20th May, 2020 in the manner prescribed in the Performance Evaluation Policy.

The evaluation of the Independent Directors were made on the basis of attendance at the Meeting of the Board, Committee and General Meeting, knowledge about the latest developments, contribution in the Board development processes, participation in the Meetings and events outside Board Meetings, expression of views in best interest of the Company, assistance given in protecting the legitimate interests of the Company, employees and investors, extending individual proficiency and experience for effective functioning and operation of the Company, etc.

Directors' Remuneration

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on the website of your Company www.kalpatarupower.com. There has been no change in the policy since last financial year. The Remuneration Policy is in consonance with the existing industry practice.

Remuneration paid or payable to Executive Chairman, Managing Director & CEO and Executive Director for the FY 2019-20 is as under:

(₹ in Crore)

Name of Director	Salary	Perquisites	Contribution to PF	Commission / Incentive	Total	Stock Options granted
Mr. Mofatraj P. Munot	4.40	-	-	7.50	11.90	-
Mr. Manish Mohnot	3.47	0.01	0.17	6.38	10.03	-
Mr. Sanjay Dalmia	1.90	0.01	0.09	2.63	4.63	-

The contractual agreements with Mr. Manish Mohnot, Managing Director & CEO and Mr. Sanjay Dalmia, Executive Director can be terminated by either party giving 6 months' prior notice.

In terms of agreements/re-appointment terms approved / to be approved by members, commission/incentive payable to Mr. Mofatraj P. Munot, Executive Chairman, Mr. Manish Mohnot, Managing Director & CEO and Mr. Sanjay Dalmia, Executive Director, is decided annually by the Board of Directors on recommendation of Nomination and Remuneration Committee.

Sitting Fees and Commission on net profit paid or payable to Non-Executive Directors for the Financial Year 2019-20 is as under:

(₹ in Crore)

Name of Director	Sitting Fees	Commission	Total
Mr. Parag M. Munot	0.05	1.28	**1.33**
Mr. Sajjanraj Mehta	0.08	0.41	**0.49**
Mr. Vimal Bhandari	0.07	0.27	**0.34**
Mr. Narayan K. Seshadri	0.06	0.27	**0.33**

Report on Corporate Governance

(₹ in Crore)

Name of Director	Sitting Fees	Commission	Total
Mr. K. V. Mani	0.04	0.11	**0.15**
Ms. Anjali Seth	0.04	0.14	**0.18**
Mr. Imtiaz Kanga	0.02	0.09	**0.11**

Commission is paid to the above mentioned Directors on the basis of qualifications, experience, attendance at the Meetings, Directorship in other companies, time spent on strategic matters and contribution to the Company, financial performance and net worth of the Company, Order book position, track record of operational performance, performance evaluation of Board etc.

The Board of Directors of the Company approved payment of commission during the year to the Director(s) who were not in whole-time employment of the Company in recognition of their performance during the year 2019-20 not exceeding in aggregate 1% of net profits for the financial year 2019-20, calculated under Section 198 of the Companies Act, 2013.

Information of Directors as on 31st March, 2020 is as under:-

Name	Age	Designation	Date of initial appointment	Shares held
Mr. Mofatraj P. Munot	75	Executive Chairman	27th June,1989	1,00,05,822
Mr. Parag M. Munot	50	Director	30th September,1991	79,63,615
Mr. Sajjanraj Mehta	68	Director	25th July,1998	10,000
Mr. Vimal Bhandari	61	Director	28th June, 2002	Nil
Mr. Narayan K. Seshadri	62	Director	29th January, 2007	Nil
Mr. K. V. Mani	76	Director	19th January,2014	Nil
Ms. Anjali Seth	61	Director	28th March, 2015	Nil
Mr. Imtiaz Kanga	67	Director	8th March,2016	1,00,000
Mr. Manish Mohnot	47	Managing Director & CEO	1st November, 2006	Nil
Mr. Sanjay Dalmia	57	Executive Director	8th August, 2018	16,100

There is no pecuniary relationship or transaction of the Company with any Non-Executive Director other than the payment of sitting fees and remuneration, including commission, as given here above. All related party transactions are disclosed in notes to accounts.

V. Stakeholders' Relationship Committee:

The Stakeholders Relationship Committee is Chaired by a Non-Executive Independent Director and comprises of 3 Directors. This composition of the Committee is in conformity with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders' Relationship Committee comprises of Mr. K. V. Mani, Mr. Parag M. Munot and Mr. Manish Mohnot.

The role of the committee inter-alia includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee met one time during the year on 30th July, 2019 and the attendance of members at the Meetings were as follows:

Name of Member	Category	Status	No. of Meetings attended / held
Mr. K. V. Mani	Non-Executive Independent	Chairman	1/1
Mr. Manish Mohnot	Managing Director & CEO	Member	1/1
Mr. Parag M. Munot	Non-Executive –Promoter	Member	1/1

Mr. Basant Parasramka, Interim Compliance Officer retired from the Company on 3rd October, 2019. Consequent to his retirement, Mr. Rajeev Kumar, was appointed as Compliance Officer of the Company w.e.f. 4th October, 2019 and as Company Secretary w.e.f. 6th November, 2019.

During the year, the Company has not received any complaint from its shareholders.

The Board has delegated the powers of approving transfers and transmission of shares, issue of duplicate shares, issue of share certificates after split/consolidation/renewal and transmission of shares, to the Share Transfer Committee which was comprising of Mr. Parag Munot, Mr. Manish Mohnot and Mr. Kamal Kishore Jain. The Composition of Committee was changed by replacing Mr. Kamal Kishore Jain with Mr. Ram Patodia on 10th February, 2020. The Committee met 4 times during the year. No request for transfer of shares was pending as on 31st March, 2020.

VI. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee comprises of 4 Directors out of which Chairman is a Non-Executive Independent Director.

The terms of reference of Committee broadly comprises following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which includes the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the CSR activities
- Monitor the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR Projects or Programs or activities undertaken by the Company.

The Committee met Four times during the year on 8th May, 2019, 30th July, 2019, 6th November, 2019 and 10th February, 2020. The composition of the CSR Committee and the attendance of Members at the Meeting were as follows:

Name of Member	Category	Status	No. of Meetings attended / held
Mr. Sajjanraj Mehta	Non-Executive Independent	Chairman	4/4
Mr. Mofatraj P. Munot	Executive – Promoter	Member	4/4
Mr. Parag M. Munot	Non-Executive – Promoter	Member	3/4
Mr. Manish Mohnot	Managing Director & CEO	Member	4/4

Report on Corporate Governance

VII. Risk Management Committee

The Company has constituted Risk Management Committee in compliance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements). Majority of members of the Committee, including the Chairman, are members of Board of Directors.

The Role and Responsibilities of Risk Management Committee are as under:

- Review the existing Risk Management Policy, framework, processes, Risk Management Structure and Risk Mitigation Systems and re-frame and modify the same as required from time to time.
- To review strategic risks and operational risks and other aspects which impacts the Company and in specific Risk related to Cyber Security.
- Overseeing implementation / monitoring of Risk Management Plan, Framework, Processes and Policy.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- To carry out any other function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modification as may be applicable.

The Committee met Four times during the year on 8th May, 2019, 30th July, 2019, 14th October, 2019 and 4th March, 2020. The composition of the Risk Management Committee and the attendance of Members at the Meeting were as follows:

Name of Member	Category	Status	No. of Meetings attended / held
Mr. Narayan K. Seshadri	Non-Executive Independent	Chairman	3/4
Mr. Manish Mohnot	Managing Director & CEO	Member	4/4
Mr. Sanjay Dalmia	Executive Director	Member	4/4
Mr. Ram Patodia	CFO	Member	4/4
Mr. Kamal Kishore Jain	Director (Plant Operations)	Member	3/4

VIII. Subsidiary Companies:

The List of Subsidiary and Associate Companies of the Company, has already been provided in Board's Report in the Extract of Annual Return.

Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

JMC Projects (India) Limited, a listed company, is a material subsidiary company. There is no other subsidiary which qualifies the test of material subsidiary. Accordingly, the requirement of having an independent director of the Company on the Board of unlisted material subsidiary company did not attract during the year under review.

The minutes of Board Meetings of unlisted Subsidiary Companies are being placed before the Board of Directors of the Company from time to time. All significant transactions and arrangements entered into by the unlisted subsidiaries of the Company are also placed for consideration of the Audit Committee. The other requirements of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

IX. General Body Meeting:

a. The details of last 3 Annual General Meetings (AGMs) of the Company are as under:

Financial Year	Date	Time	Venue
2018-19	30th July, 2019	4:00 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar
2017-18	7th August, 2018	4:00 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar
2016-17	11th August, 2017	4:00 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar

Special Resolutions in Last 3 AGMs

In AGM held on 30th July, 2019, seven Special Resolution were passed as under:

(i) Appointment of Mr. Sanjay Dalmia (DIN: 03469908) as an Executive Director of the Company

(ii) Re-appointment of Mr. Sajjanraj Mehta (DIN: 00051497) as an Independent Director

(iii) Re-appointment of Mr. Vimal Bhandari (DIN: 00001318) as an Independent Director

(iv) Re-appointment of Mr. Narayan K. Seshadri (DIN: 00053563) as an Independent Director

(v) Re-appointment of Mr. K. V. Mani (DIN: 00533148) as an Independent Director

(vi) Authority for creation of charge, security etc. for an amount not exceeding in aggregate ₹12,000 Crore (Rupees Twelve Thousand Crore)

(vii) Issue of 12,54,900 Equity Shares on a preferential basis to Tano India Private Equity Fund II ("Tano") for consideration other than cash i.e. in consideration of 1,46,45,499 equity shares held by Tano in Shree Shubham Logistics Limited

In AGM held on 7th August, 2018, Two Special Resolution were passed as under:

(viii) Issuance of redeemable Non-Convertible Debentures upto ₹ 300 Crore by the Company within a period of 1 year in one or more tranches.

(ix) Approval for continuing the Directorship of Mr. K. V. Mani (DIN: 00533148) as an Independent Non-Executive Director of the Company till his original term upto 31st March, 2019 although he shall attain age of seventy five years

In AGM held on 11th August, 2017, Two Special Resolution were passed as under:

(i) Appointment of Mr. Mofatraj P. Munot as an Executive Chairman for a period of 5 years beginning from 1st April, 2017 to 31st March, 2022(both days inclusive)

(ii) Issuance of redeemable Non-Convertible Debentures upto ₹ 100 Crore by the Company within a period of 1 year in one or more tranches.

Postal Ballot

No Postal Ballot was conducted during the year. There is no resolution which is proposed to be passed through Postal Ballot.

Report on Corporate Governance

X. Disclosures:

a) Management Discussion and Analysis

Annual Report has a detailed chapter on Management Discussion and Analysis.

b) Related Party Transaction

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which could have potential conflict with the interests of Company at large.

The Company has received declarations from Senior Management Personnel that there was no material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.

The Company has formulated a policy on dealing with Related Party Transactions, such policy has been disclosed of the Company's website http://www.kalpatarupower.com/corporate-governance/

c) Accounting treatment

The Company has followed accounting treatment as prescribed in Indian Accounting Standard applicable to the Company.

d) Risk Management

The Committee has constituted Risk Management Committee to ascertain and minimize risk and to take appropriate decisions for regular assessment and minimization of risks. The working of this Committee is being periodically reviewed by the Board.

e) Compliance

There have been no non-compliance by the Company with respect to any matter related to capital markets nor any penalty or stricture was imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

f) Whistle Blower Policy (Vigil Mechanism)

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a vigil mechanism (whistle-blower policy) under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the ABMS Committee which operates under the supervision of the Audit Committee. Further, the functioning of the vigil mechanism is being monitored by the Audit Committee from time to time. Employees may also report violations to the Chairman of the Audit Committee in exceptional cases. During the year, no employee was denied access to the Audit Committee.

The Whistle Blower Policy has been disclosed on the Company's website http://kalpatarupower.com/corporate-governance/

g) Familiarization programme for Independent Directors

The Company has familiarized its Independent Director's regarding the Company and its policies, their roles, rights and responsibilities etc. Presentations are made by senior personnel of the Company to the Independent Directors covering nature of Industry, business model, business performance and operations, challenges & opportunities available etc. Certain programmes are merged with the Board/Committee meetings for the convenience of the directors. Separate programs are conducted for them as per their requirement. Over and above specific Familiarization Programmes, presentations were made at the Board meetings by MD & CEO / CFO covering performance of peer companies, Operational review of major operating subsidiaries, forex and commodity exposure, updates on capital expenditure, strategic and operational risks and its mitigation plan, business performance, operations, working capital management, major litigations, major achievements etc.

Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions. The Details of Familiarisation programme for Independent Directors has been disclosed on the Company's website http://kalpatarupower.com/corporate-governance/.

h) Policy for determining 'material' subsidiaries

The Company has formulated a policy for determining 'material' subsidiaries, such policy has been disclosed on the Company's website http://kalpatarupower.com/corporate-governance/.

i) Foreign Exchange Risk and Hedging Activities

The Company's activities exposes it to the risk of fluctuations in foreign currency exchange rate. Company has in place a robust risk management framework for monitoring and mitigation of the risk of fluctuations in the currency exchange rates. Such risks are monitored regularly and necessary actions are taken to mitigate them in line with the Risk Management Policy of the Company. The Company enters into forward foreign exchange contracts to hedge the exchange rate risk. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2020 are disclosed in Note No. 44 in Notes to the standalone financial statements.

j) Commodity Price Risk and Hedging Activities

The details regarding exposure of the Company to commodity and commodity risks faced throughout the year in terms of SEBI Circular Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is as under:

1. Risk management policy of the Company with respect to commodities including through hedging

   As a part of broader Risk Management Policy, the Company has a dedicated framework to manage commodity risk. The Company's business is significantly dependent on availability, cost and quality of raw materials and fuels for the construction and development of projects undertaken. Prices of commodity items used in the manufacturing and project execution mainly includes steel, zinc, aluminum conductors, etc. Prices of these are varied due to global economic conditions, supply demand mismatch, competition, production levels, and taxes etc. The Company currently manages such risk through the price escalation clause in some of the Contracts whereby the fluctuation in the input cost is passed on to the Client. In case of firm price contracts, the Company enters into a Commodity Forward Contract to hedge its price risk or pass on back-to-back firm price contract to its vendor/contractor. The Company addresses the risk of fluctuation in commodities which cannot be hedged by building adequate contingencies based on market trends. The Company manages such risk as per its Risk Management Policy and Procedures.

2. Exposure of the Company to commodity and commodity risks faced by the entity throughout the year

   A. Total exposure of the Company to commodities in ₹:~ 32,852 lakhs (only for material commodities)

   B. Exposure of the Company to various commodities:

Commodity Name (material commodity)	Exposure in towards the particular commodity (in lakhs)	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic		International		
			OTC	Exchange	OTC	Exchange	
Aluminium	2,126	MT 1,894	-	-	95%	-	95%
Zinc	6,537	MT 4,643	-	-	51%	30%	81%
Steel	24,189	MT 59,866	-	-	-	-	-

* Above Exposure does not include the Exposure of Variable Price Contracts wherein the fluctuation in the input cost is passed to the Client

Report on Corporate Governance

C. **Commodity risks faced by the Company during the year and how they have been managed:**

Commodities are a significant part of the Direct cost incurred by the Company for its business activities including fabrication of towers and erection of the transmission lines and substation. Material commodities for the Company are Steel, Aluminum and Zinc. Thus, movement in the prices of these commodities exposes the Company towards the risks of fluctuations on its profitability. The Company has a robust mechanism to monitor such risks and ensure that the risk of major fluctuations are mitigated. Risk Management Committee of the Company based on the exposure of the Company and Risk Management Policy recommends the procurement/treasury team for the hedging strategy. The Company uses the future commodities contracts for hedging the prices or passes on back to back firm price contract to its vendors. In case of material commodities which can not be hedged (viz. Steel), the Company addresses the risk of fluctuation in prices by building adequate contingencies based on market trends.

k) **Matrix containing skills/expertise/competence of the board of directors**

The list of core skills/expertise/competencies identified by the board of directors as required in the context of KPTL business(es) and sector(s) for KPTL to function effectively and those actually available with the board are as under:

Skills/expertise/ competence	Whether available with the Board or not?	Mofatraj P. Munot	Parag M. Munot	Sajjanraj Mehta	Vimal Bhandari	Narayan K. Seshadri	K. V. Mani	Anjali Seth	Imtiaz Kanga	Manish Mohnot	Sanjay Dalmia
Industry knowledge/experience (EPC Industry)											
Experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry knowledge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Understanding of relevant laws, rules, regulation and policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
International Experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Contract management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical skills/experience											
Accounting and finance	Yes		Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes
Marketing	Yes	Yes	Yes				Yes		Yes	Yes	Yes
Information Technology	Yes					Yes				Yes	
Talent Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Leadership	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compliance and risk	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Legal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Business Strategy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral Competencies											
Integrity and ethical standards	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mentoring abilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Interpersonal relations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

l) Credit ratings

Instrument/Facilities	Ratings	
	CRISIL	CARE Ratings
Long term facilities	AA/Stable	AA; Stable
Short term facilities	A1+	A1+

There have been no revisions in the Credit ratings for all debt instruments of the Company during the year under review.

m) Certificate from a Company Secretary in practice

The Company has obtained a certificate Mr. Urmil Ved, Practicing Company Secretary that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE PURSUANT TO CLAUSE 10(i) OF PART C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
Kalpataru Power Transmission Limited

I, Urmil Ved, Practicing Company Secretary, has examined the relevant records, forms, returns and disclosures received from the directors of **KALPATARU POWER TRANSMISSION LIMITED** having CIN: L40100GJ1981PLC004281 and having registered office at 101, Part-III G.I.D.C Estate Sector-28, Gandhinagar-382028, Gujarat (hereinafter referred to as 'the Company'), produced before me 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 my opinion and best of my information and according to the verifications, I hereby certify that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority during the year ended March 31, 2020.

Urmil Ved
Practicing Company Secretary
FCS No. 8094, CP No. 2521
UDIN: F008094B000259917

Date: May 20, 2020
Place: Gandhinagar

n) Fees paid to Statutory Auditors and network firm/entities

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to B S R & Co. LLP, Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part is as under:

Fees paid to	Amount (₹ in Crore)
B S R & Co. LLP (includes Audit fee, certification fees and reimbursement of expenses)	2.66
Other network entities	-

Report on Corporate Governance

o) Disclosure in relation to Sexual Harassment

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

XI. Means of Communication:

a. Financial Results

The Company has furnished Financial Results on the quarterly basis to the Stock Exchanges in the format and within the time period prescribed under the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company generally publishes its Quarterly Results normally in Economic Times – English & Gujarati and Gandhinagar Samachar - Gujarati.

The results of the Company were displayed on its website www.kalpatarupower.com. The official news releases are being placed on Company's website and simultaneously sent to Stock Exchanges where the shares of the Company are listed.

b. News, Release, Presentations etc.

Official news, Press releases, Analyst / Investor presentation, conference call transcript etc. are displayed on the website of the Company www.kalpatarupower.com

c. Compliance

The Company has regularly submitted its quarterly compliance report to the Stock Exchanges for compliance of requirements of corporate governance under Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with all the applicable mandatory requirements under various Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has obtained a certificate from its Statutory Auditors M/s. B S R & Co. LLP, Chartered Accountants to this effect and the same is annexed to this Report. The Company has also complied with certain non-mandatory requirements prescribed in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such as the Company's Financial Statements for the year ended 31st March, 2020 are with unmodified audit opinion, etc.

d. Website

The Company maintains a website www.kalpatarupower.com which depicts detailed information about the business activities of the Company. It contains a separate dedicated section namely "Investors" where all information relevant to members is made available. The achievements and important events taking place in the Company like receipt of major orders are announced through electronic media and posted on the Company's website also. The Company's other press coverage and Analyst / Investor / Corporate presentation is also made available on the website. All the submissions made by the Company to Stock Exchanges are also disclosed on the website of the Company. The Annual Report of the Company is also available on the website of the Company www.kalpatarupower.com.

XII. General Shareholder Information:

- **Annual General Meeting and Book Closure**

Date, time and venue of Annual General Meeting	:	Wednesday, August 12, 2020 at 2:00 p.m. IST
		The Company is conducting meeting through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) pursuant to the MCA circular dated 5th May, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.
Dates of Book closure	:	Thursday, August 6, 2020 to Wednesday, August 12, 2020 (both days inclusive)

- **Financial Calendar**

Financial Year	:	April 01 to March 31

- **Financial Results:**

First Quarter Results	:	by August 14, 2020
Half Year Results	:	by November 14, 2020
Third Quarter Results	:	by February 14, 2021
Annual Results	:	by May 30, 2021

- **Listing**

At present, the equity shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE). The Non-Convertible Debentures issued by the Company are listed on BSE Limited.

Name of Stock Exchange	Stock Code	Address
BSE Limited	522287	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001, Maharashtra, India
National Stock Exchange of India Limited	KALPATPOWR	'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India

The Company has already paid the listing fees for the year 2020-21 to both the Stock Exchanges.

- **Stock Market Data**

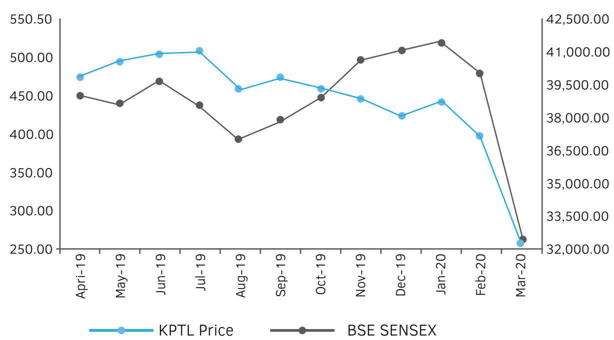
Monthly High and Low prices of the Company's shares with a face value of ₹ 2 each during financial year 2019-20 on BSE and NSE are as under:

Month	BSE Ltd.				National Stock Exchange of India Ltd.			
	High Share Price ₹	Low Share Price ₹	S&P BSE Sensex during the Month		High Share Price ₹	Low Share Price ₹	Nifty 50 during the Month	
			High	Low			High	Low
Apr-19	498.2	453.25	39487.45	38460.25	499.90	453.30	11856.15	11549.1
May-19	546	446	40124.96	36956.1	547.40	442.20	12041.15	11108.3
Jun-19	533.35	476.5	40312.07	38870.96	533.80	477.40	12103.05	11625.1
Jul-19	553.5	462.3	40032.41	37128.26	554.50	461.00	11981.75	10999.4
Aug-19	502.4	415.1	37807.55	36102.35	502.95	415.00	11181.45	10637.15
Sep-19	515	429.2	39441.12	35987.8	515.50	428.05	11694.85	10670.25

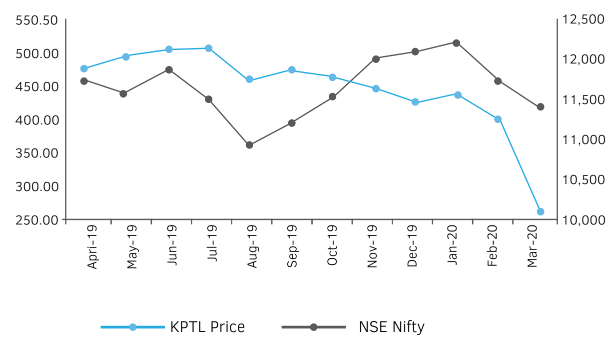
Report on Corporate Governance

Month	BSE Ltd.				National Stock Exchange of India Ltd.			
	High Share Price ₹	Low Share Price ₹	S&P BSE Sensex during the Month High	S&P BSE Sensex during the Month Low	High Share Price ₹	Low Share Price ₹	Nifty 50 during the Month High	Nifty 50 during the Month Low
Oct-19	494.45	424	40392.22	37415.83	497.35	424.00	11945	11090.15
Nov-19	468	425.5	41163.79	40014.23	467.70	429.00	12158.8	11802.65
Dec-19	463.95	383.1	41809.96	40135.37	465.00	382.65	12293.9	11832.3
Jan-20	475.65	408.05	42273.87	40476.55	477.00	406.00	12430.5	11929.6
Feb-20	464.6	325	41709.3	38219.97	464.00	326.70	12246.7	11175.05
Mar-20	341.5	170	39083.17	25638.9	341.20	169.50	11433	11244.6

KPTL's High Low Avg. Price Comparision with BSE Sensex High Low Avg.



KPTL's High Low Avg. Price Comparision with NSE Nifty High Low Avg.



- **Registrar & Transfer Agent (RTA)**

  Link Intime India Private Limited
  506-508, Amarnath Business Centre -1
  Beside Gala Business Centre,
  Near St. Xavier's College Corner,
  Off C. G. Road,
  Navrangpura, Ahmedabad – 380009
  Email: ahmedabad@linkintime.co.in
  Tel. & Fax: 91 79 26465179

- **Share Transfer System**

  As per direction of Securities and Exchange Board of India, 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 dematerialized form with a depository. This measure has come into effect from 1st April, 2019. The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of 1st April, 2019.

  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 Obligations and Disclosure Requirements) Regulations, 2015. These certificates have been submitted to the Stock Exchanges.

  A Company Secretary-in-Practice has carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. The Audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

- **Distribution of Shareholding: (As on 31st March, 2020)**

No. of Shares of ₹ 2 each	Members		No. of Share Held	
	Number	% of Total	Number	% of Total
Upto 500	32170	89.5951	2238120	1.4466
501 – 1,000	1911	5.3222	1594959	1.0309
1,001 – 2,000	773	2.1528	1135727	0.7341
2,001 – 3,000	300	0.8355	745775	0.4820
3,001 – 4,000	166	0.4623	597654	0.3863
4,001 – 5,000	115	0.3203	528251	0.3414
5,001 – 10,000	191	0.5319	1337363	0.8644
10,001 and Above	280	0.7798	146537621	94.7143
Total	**35906**	**100**	**154715470**	**100**

- **Shareholding Pattern as on 31st March, 2020**

Sr. No.	Category	No. of Shares held	% of Shares held
A	**Promoter & Promoter Group Holding :**		
1	Promoter	1,79,69,437	11.62%
2	Promoter Group	6,61,45,226	42.75%
B	**Non Promoters' Holding :**		
1	**Institutions**		
	Mutual Funds	3,62,16,988	23.42%
	Alternate Investment Funds	5,64,618	0.36%
	Foreign Portfolio Investor	1,14,04,305	7.37%
	Financial Institutions & Banks	22,771	0.01%
	Insurance Companies	89,14,856	5.76%
2	**Non-Institutions**		
	Individuals	85,70,677	5.54%
	Bodies Corporate	16,78,346	1.08%
	NRIs	14,35,344	0.93%
	Others	17,92,902	1.16%
	Total	**15,47,15,470**	**100%**

*Out of above, Promoters & Promoter group have pledged 4,83,68,214 Equity Shares constituting 57.50% of their holding in the Company and 31.26% of total equity of the Company.

- **Unclaimed Shares**

There are no unclaimed shares lying with the Company in Demat Suspense account / Unclaimed Suspense account.

- **Dematerialization of Shares and Liquidity**

99.71% Shares are in demat form as on 31st March, 2020

ISIN No. (For Dematerialized Shares): INE220B01022

The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

- **Outstanding GDRs/ADRs/Warrants/Convertible Instruments**

The Company has no GDRs/ADRs/Warrants/Convertible Instruments outstanding as on 31st March, 2020

- **Transfer of Unpaid / Unclaimed amounts to Investor Education and Protection Fund (IEPF)**

Pursuant to provisions of Companies Act, 2013, dividends which remain unclaimed / unpaid over a period of seven years are required to be transferred by the Company to the IEPF constituted by the Central Government.

Following are the details of Dividends paid by the Company and their respective due dates of transfer to the IEPF if they remain unclaimed by the Members.

Dividend for the year	Date of Declaration of Dividend	Last date upto which members are entitled to claim the dividend
2012-13	25th July, 2013	28th August, 2020
2013-14	27th September, 2014	27th October, 2021
2014-15	29th September, 2015	2nd November, 2022
Interim Dividend 2015-16	14th March, 2016	14th April, 2023
2016-17	11th August, 2017	13th September, 2024
2017-18	7th August, 2018	8th September, 2025
2018-19	30th July, 2019	29th August, 2026
Interim Dividend 2019-20	4th March, 2020	3rd April, 2027

During the year under review, the Company has credited ₹ 4.97 lakhs to the Investor Education and Protection Fund (IEPF) pursuant to applicable provisions of Companies Act, 2013.

During the year under review, in accordance with the provisions of Companies Act, 2013 the Company has transferred 7,157 equity shares of ₹ 2/- each, to the credit of IEPF Authority, in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th July, 2019 (date of last Annual General Meeting) on the Company's website (www.kalpatarupower.com), as also on the website of IEPF Authority (www.iepf.gov.in).

- **Debenture Trustees**

7.90%, 8.45% and 8.11% Unsecured Redeemable NCDs of ₹ 100 Crore each	Zero Coupon Unsecured Taxable Rated Redeemable Non-Convertible Debenture of ₹ 100 Crore
Vistra ITCL (India) Limited The IL&FS Financial Centre, Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai 400051 Tel:- + 91 22 2659 3535 Fax:- + 91 22 2653 3297 Website: www.vistraitcl.com	Axis Trustee Services Limited The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400028 Tel No : +91-22-62260054 Fax : +91-22-43253000 Website: www.axistrustee.com

- **Plant Location**

Main Plant
Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Tel : 079 – 23214000
Fax : 079- 23211966

2nd Plant at Gandhinagar
Plot No. A-4/1, A-4/2, A-5,
G.I.D.C. Electronic Estate,
Sector – 25,
Gandhinagar – 382 025
Tel.: 079-23214400
Fax : 079-23287215

Raipur Plant:
Khasra No.1778, 1779
Old Dhamtari Road
Village : Khorpa
Tehsil : Abhanpur
Dist : Raipur, Chhattisgarh
Tel. : 0771 2772700
Fax : 0771 2446988

Biomass Energy Division (Power Plant)

27BB, Tehsil Padampur
Dist. Sri Ganganagar
Rajasthan - 335041
Tel. : 0154 - 2473725
Fax : 0154 -2473724

Near Village Khatoli
Tehsil Uniara, Dist. Tonk
Rajasthan - 304 024
Tel.: 01436 – 260665
Fax.: 01436 – 260666

R&D Tower Drawing & Design Centre

Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Tel : 079 – 23214000
Fax : 079- 23211966

R & D Proto Tower Development & Validation Centre

At Punadara Village (PIN: 387610)
Near Talod Dam
Taluka – Prantij
Dist. Sabarkatha (Gujarat)
Tel : 02770- 255414

Registered Office
(Address for Correspondence)
Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Tel : 079 – 23214000
Fax : 079- 23211966

Corporate Office
“Kalpataru Synergy”
7th Floor, Opp. Grand Hyatt Hotel,
Vakola, Santa Cruz (East),
Mumbai – 400 055
Tel.: 022 – 30645000
Fax: 022 – 30643131

On behalf of the Board of Directors

Mofatraj P. Munot
Chairman
DIN:00046905

Place: Mumbai
Date : May 20, 2020

CEO/CFO Certificate

Board of Directors
Kalpataru Power Transmission Limited

We, Manish Mohnot, Managing Director & CEO and Ram Patodia, Chief Financial Officer, to the best of our knowledge and belief, hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:

 (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

 (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

 (i) That there is no significant changes in internal control over financial reporting during the year;

 (ii) That there is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

 (iii) That there is no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai	**Manish Mohnot**	**Ram Patodia**
Date : May 20, 2020	Managing Director & CEO	Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance

To the Members of Kalpataru Power Transmission Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 21 June 2019 and addendum to the engagement letter dated 1 April 2020 with Kalpataru Power Transmission Limited.
2. This report contains details of compliance of conditions of Corporate Governance by Kalpataru Power Transmission Limited ('the Company'), for the year ended on 31 March 2020, as stipulated in regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the conditions of the Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement

Opinion

8. In our opinion, and to the best of our information and according to explanation given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R. Kasat
Partner
Membership No: 105317
ICAI UDIN: 20105317AAAABM4682

Mumbai
20 May 2020

Business Responsibility Report

Kalpataru Power Transmission Limited ("KPTL" or "the Company") views sustainability as being socially responsible and believes in inclusive growth of all sections of the society. Foundations of economic growth can be strengthened only if the entire society is a part of the growth story. Sustainable growth is embedded in and inseparable part of our culture.

This Business Responsibility Report has been prepared in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations 2015 and the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs) released by Ministry of Corporate Affairs, Government of India. This Report provides a broad overview of the activities carried out by the Company against the nine principles outlined in the NVG.

Section A: General Information about the Company

1	**Corporate Identity Number (CIN)**	:	L40100GJ1981PLC004281
2	**Name of the Company**	:	Kalpataru Power Transmission Limited
3	**Registered Address**	:	Plot No. 101, Part – III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382028, Gujarat, India
4	**Website**	:	www.kalpatarupower.com
5	**Email ID**	:	cs@kalpatarupower.com
6	**Financial year reported**	:	1st April, 2019 to 31st March, 2020

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Kalpataru Power Transmission Limited (KPTL) is engaged in the business of power transmission and infrastructure EPC executing projects that deliver complete solutions covering design, testing, manufacturing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railways projects on a turnkey basis. The Company is also engaged in High voltage substation business both in air insulated (AIS) and gas insulated (GIS) segment in domestic as well as international markets. The Company has also set up two Biomass power generation plant in Rajasthan.

Industrial Group	Description
251	Manufacture of structural metal products, tanks, reservoirs and steam gener-ators
421	Construction of roads and railways
422	Construction of utility projects
351	Electricity Power Generation, Transmission and Distribution

As per National Industrial Classification – The Ministry of Statistics and Programme Implementation

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

1. Design, testing, fabrication and manufacturing of Transmission Line Towers and erection, procurement and construction of transmission lines and sub-station on a turnkey basis

2. Railways EPC services for executing civil infrastructure, bridges, new track laying, track rehabilitation, gauge conversion, signaling & telecommunication, over-head electrification, traction sub-station projects for Railways and manufacturing of Railway Structures.

3. EPC contracting services for cross-country pipelines, terminals and gas gathering stations across diverse territories

9. Total number of locations where business activity is undertaken by the Company:

(a) Number of International Locations (Provide details of major 5) –

KPTL is undertaking business activity in about 35 international locations. The major locations include Sierra Leone, Botswana, Bangladesh, Mauritania and Thailand.

(b) Number of National Locations

KPTL is undertaking business activity in about 140 national locations. The Company's manufacturing plants are situated at Gandhinagar and Raipur. The Company also has two Biomass power generation plants at Padampur and Uniara in Rajasthan.

10. Markets served by the Company: Local/State/National/International: All

Section B: Financial Details of the Company

1	**Paid up capital (INR)**	:	₹ 30.94 Crore
2	**Total turnover (INR)**	:	₹ 7,904.03 Crore
3	**Total profit after taxes (INR)**	:	₹ 463.05 Crore
4	**Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax**	:	0.81%

5. List of activities in which expenditure in 4 above has been incurred:

The Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. Apart from long term ongoing projects, the Company has undertaken various other programme and projects under its CSR Policy in the field of Healthcare including Preventive Healthcare, Ensuring environmental sustainability, Promoting Education, Flood Relief activities, Promotion to Technology incubators, etc. The Company also ran CSR Project for Combating and Containing Novel Corona Virus (CoVID-19) through various relief activities. The Company also incorporated a Section 8 Company limited by Guarantee named as Kalpataru Foundation to carry out CSR activities of Kalpataru Group at a consolidated level.

The major activities carried out during year under review were running of multi specialty dispensary Kalp-Seva Arogya Kendra at Gandhinagar and Mumbai, Project Rashtriya Netra Yagna for curing avoidable blindness, Repair and Renovation of different Rural Child care Anganwadi Centres (approx. 21) to combat child hunger and malnutrition, Conservation of water and Development of Green Belt through Canal cleaning/deepening, Plantation etc., Sanitation Project through Construction / Rehabilitation of Urinals and Toilets and Education promotion initiative like Construction of Boundary Wall at Primary School, Flood Relief Operations in the wake of incessant rains and widespread flooding in Kolhapur, Maharashtra, Setting up Mini Science Laboratory consisting of interactive Mathematics & Science working models at Government Schools, Contribution for supporting various activities of Atal Incubation Centre which promotes startups working in areas of water conservation, Swachh Bharat Abhiyaan, affordable healthcare, Electric Mobility and Renewable energy, Combating and Containing Novel Corona Virus (CoVID-19) through various relief activities etc.

For detailed information regarding CSR activities of the Company, you may refer **Annexure A** to Directors' Report.

Section C: Other Details

1. Does the Company have any subsidiary company / companies?

Yes, the Company has 23 subsidiary companies (including step-down subsidiaries) in India and abroad as on 31st March, 2020.

2. Do the subsidiary company / companies participate in the Business Responsibility (BR) initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

The subsidiaries have their own BR initiatives which are influenced by the Company. The Company encourages all its subsidiary companies to participate in group wide BR initiatives to the extent that they are material in relation to the business activities of the subsidiaries. In addition, JMC Projects (India) Limited, a listed subsidiary of the Company will have its own Business Responsibility Report as a part of Annual Report.

Business Responsibility Report

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%]

Yes. KPTL engages with relevant Stakeholders for sustainability initiatives. The suppliers, contractors and Vendors are sensitized on Sustainability through various KPTL Policies and Programs. KPTL actively engages with several stakeholders' like local communities, government and other entities in the value chain and promote BR initiatives in its value chain. At present, the number of entities which directly participate in the BR initiatives would be less than 30%.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy/ policies:

DIN Number	:	01229696
Name	;	Mr. Manish Mohnot
Designation	:	Managing Director & CEO

b) Details of the BR head:

Name	:	Mr. Ram Patodia
Designation	;	Chief Financial Officer
Telephone Number	:	+91 22 3064 3978
Email id	:	ram.patodia@kalpatarupower.com

2. Principle-wise (as per NVGs) BR Policy / policies

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	Ethics, Transparency and Accountability P1	Sustainable & safe Goods and Services P2	Well-being of all employees P3	Interests of disadvantaged and marginalized Stakeholders P4	Promote human rights P5	Protection of Environment P6	Policy Advocacy P7	Inclusive growth and equitable development P8	Provide value to their customers and consumers P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been 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?	All the policies are compliant of respective principles of NVG guidelines, the Companies Act, 2013 and confirm to International standards of ISO 9001, ISO 14001, OHSAS 18001 and ISO 37001 as applicable to respective policies.								
4	Has the policy be-ing approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	-	Y	Y	Y	-	Y	Y	-

Sr. No.	Questions	Ethics, Transparency and Accountability P1	Sustainable & safe Goods and Services P2	Well-being of all employees P3	Interests of disadvantaged and marginalized Stakeholders P4	Promote human rights P5	Protection of Environment P6	Policy Advocacy P7	Inclusive growth and equitable development P8	Provide value to their customers and consumers P9
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 www.kalpatarupower.com. HR Policies are restricted to employees of the Company and uploaded on the Company's Intranet								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal Stakeholders. The communication is an ongoing process to cover all internal and external stakeholders.								
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?	Y	Y	Y	Y	-	Y	-	Y	Y

(b) If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle	Not Applicable								
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

Business Responsibility Report

3. **Governance related to BR:**

   (i) **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 Company's Business Responsibility performance is assessed annually.

   (ii) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   This report comprises the Company's 4th Business Responsibility Report as per the NVGs and as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is published as a part of Annual Report. The Company publishes BR Report annually. The Company currently does not publish a separate Sustainability Report.

   The Hyperlink for viewing this report is www.kalpatarupower.com.

Section E: Principle-wise Performance

Principle 1: Business 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?**

   At KPTL, a value system has been built that serves as a moral compass which guides the Company and its stakeholders in their business practices. It is the KPTL's Policy to conduct all its business activities with honesty, integrity and highest ethical standards. KPTL has adopted Code of Conduct ("KCoC") and framed Anti Bribery and Anti Corruption policy to remain consistently vigilant and ensure ethical conduct of its operations. Moving a step ahead, KPTL was certified with ISO 37001:2016. ISO 37001:2016 specifies requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system. It is a benchmark for corporate compliance program with focus on anti-bribery and anti-corruption practices and is the new international standard designed to help organizations implement an anti-bribery management system.

   The Anti Bribery and Anti Corruption Policy is extended to the KPTL workforce, subsidiaries, joint ventures, Suppliers, Contractors and NGO's working with KPTL and all other individuals or entities with which KPTL deals or enters into Transactions in India or abroad.

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.**

   The Company strongly emphasizes on adherence of Business Ethics by all its stakeholders and during the year under review, the Company did not receive any complaints from its Stakeholders in this regards. Further, a vigilance mechanism is in place for Directors and employees to report their concerns about actual or suspected fraud, unethical behavior or violation of the Company's ethics and Code of Conduct. This is ensured through the Whistle-Blower policy. During the year under review, no complaint was received under Whistle-Blower policy.

Principle 2: Business 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. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

   I. Reduction during sourcing / production / distribution achieved since the previous year through the value chain?

   II. Reduction during usage by consumers (energy, water) achieved since the previous year?

   At KPTL, its management ensures that environment, health and safety aspects are taken into consideration at the inception stage itself, while manufacturing products or providing services to customers.

   The state-of-the-art manufacturing facilities deploy leading manufacturing practices to ensure continuous reduction in consumption of various resources and material. The Company keeps on implementing different scientific mixture of chemicals along with Flux re-generation plant which is helping it to continuously bring down consumption of chemicals, water and zinc in Galvanizing process. The Company has replaced gas furnace by 75KW induction furnace for hot bending of steel sections. It provides faster and more precise heating into the metal part to be heated (called the work piece), therefore reducing the consumption of energy and is considered environmentally friendlier than other methods. Induction heating is a complex process including electromagnetic, thermal and metallurgic phenomena. The Company is continuously working for improving energy efficiency either through improved operations or through adoption of better technologies. The Company has taken number of initiatives for reduction in raw material consumption like it has introduced new software for planning which helps in quick and efficient plate nesting thereby reducing the steel waste, it has further engineered steel wire requirement in loading components for Galvanizing which has led to reduction of steel wire requirement etc.

   The Company executes Transmission Line Projects on EPC basis which requires the Company to carry out range of Project execution activities like Construction of Access Roads, Soil investigation, Piling & Pile caps, Foundation, Erection of Tower, Stringing of Conductor & OPGW, Painting of towers, dismantling of overhead lines, Excavation works, Transportation of materials etc. Hence, it becomes imperative on part of the Company to ensure protection of Environmental, biophysical, cultural archaeological and socio-economic values within the project area. To achieve this, on a case to case basis, the Company adheres to a Generic as well as detailed site specific Construction Environmental Management Plan (CEMP) to avoid, minimize and mitigate any construction effects on the environment and surrounding communities. Furthermore, Environment & Social Impact Assessment (ESIA) Study is carried out by KPTL clients prior to floating tenders wherein multilateral funding agencies and export credit agencies are involved. As an EPC contractor, during the project execution, KPTL ensures strict compliances to ESIA guidelines as per the norms. Construction waste is disposed-off in accordance with the approved environment plan for the project.

   The Company is also engaged in the business of EPC contracting services for laying Oil and Gas pipelines. Cross country Pipeline Engineering incorporates both social & environmental concerns while designing the yield/tensile strength, depth/cover and wall thickness of pipes. Pipeline route selection also incorporates both social as well as environmental concerns to ensure that local population gets employment opportunities while safe distance is maintained and necessary equipment's & techniques are used to minimize dust and noise pollution during construction. Further, Oil & Gas pipelines, as a concept is most environmentally friendly mode of transportation of oil, products & gas. Gas pipeline projects provide ample opportunities for industries to operate on clean energy and flourish.

   Rail electrification is an important part for De-carbonization. Electric trains generally perform better than equivalent diesel vehicles and contribute in pollution free atmosphere and reduced noise and air pollution. In FY 2019-20, KPTL has done electrification work for about 1500 Track k.m. helping Indian Railways get rid from Fossil Fuel use. All Railways EPC Business services are screened for environmental and social risks. The Company ensures that sustainability aspects, environmental concerns, risks and opportunities are duly integrated into our engineering and design of Railway Projects.

Business Responsibility Report

The Company also has two dedicated Biomass power generation plants of 7.8 and 8.0 MW respectively which generate carbon neutral renewable form of energy which in its entirety contribute positively to a greener environment by converting waste materials into clean energy and Carbon Emission reductions. This plants use agriculture waste and crop residues as inputs and generate power. Both the plants are registered with UNFCCC and have achieved Gold Standard Certification. During the year under review, the Company has constructed Zero Liquid Discharge, holding & settling chambers and sludge drying beds for use of waste water at both Biomass plants. The processed water from these chambers is passed through Media Grate Filters for final polishing. This results in re-use of waste water and reduces consumption of fresh water. Our activities are aimed towards minimum Auxiliary Consumption, Minimum Water Consumption and minimum raw material consumption per unit of power generation.

2. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company conforms to responsible sourcing with respect to emissions, safety, human rights and ethics, apart from the economic considerations as part of the sourcing procedure. The major suppliers of the Company have obtained national and international certifications with respect to environment management systems etc. Conformance to labour principles and related laws are mandatory qualification requirements for all supply and services. The Company encourages use of environment friendly goods & services. The respective policies of KPTL extends to suppliers/vendors/sub-contractors and lays down the requirements on various aspects of sustainability such as Health & Safety, environment protection, ethics & compliance, bribery & corruption, Human Rights etc.

3. **Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

KPTL's ambition is to create more societal value through creating more and more opportunities – directly and indirectly for local and small producers. At manufacturing plants, KPTL promotes small fabricators to work inside the plant under supervision of its engineers. Further, small vendors are developed near factory area and necessary training and Supplier Audit are conducted to maintain product standards. The Company also equip them to control steel wastage & adhere to Manufacturing quality plan. These steps have led to creation of employment opportunities and skill development of the local population.

At Project sites, special emphasis is given to employ people from surrounding communities in project construction activities for improving their skills, livelihood & involvement in nation building. Regular trainings are also imparted to the locally hired personnel to make them self-sufficient for future projects and operations & maintenance. Furthermore, various equipment's, transportation vehicles etc. are hired locally to ensure income generation opportunities for surrounding communities

The Biomass power generation plants procure the bio waste from surrounding Farmers, thereby leading to economic upliftment of local community. Further, a lot number of local workers get employment benefit in relation to logistics of the Biomass. More than 3,700 farmers and 18,500 logistics workers were benefitted from additional income, created by Biomass power generation plants by purchasing their bio wastes every year.

However, being EPC Company, project procurement involves Technology Oriented supplies and has to be done from client approved vendors, out of which most of them are not located near place of work of the Company. However, the Company encourages new and small size vendors and also represents from time to time to get such vendors approved from client.

4. **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 promotes recycling and the use of alternative materials. Our products are 'engineered to order' based on specific customer requirements, limiting the scope for material recycling. Zinc Ash and Zinc Dross generated through manufacturing process is sold to authorized recyclers / reusers who recycle it for value materials available in it (< 5%). The Steel wastage is sold to the recyclers for re-using the material (5-10%). The Company complies with all applicable regulatory requirements pertaining to waste disposal as prescribed by the regulatory agencies. Water generated from Effluent Treatment plants is used for Gardening purpose.

Bed Ash and Fly Ash generated from burning Agriculture waste at Biomass power plant is used for manure additives in the fields & for land filling and in Cement industries respectively. Further waste water generated at Biomass plants is treated in ETP and then re-used in ash quenching and dust suppression.

Principle 3: Business should promote the wellbeing of all employees

1. **Please indicate total number of employees:**

   The Company has a total of 3,531 employees as on 31st March, 2020.

2. **Please indicate total number of employees hired on temporary/contractual/casual basis:**

   The Company has a total of more than 12,000 employees engaged on temporary/contractual/casual basis as on 31st March, 2020.

3. **Please indicate the number of permanent women employees:**

   The Company has 90 permanent women employees as on 31st March, 2020.

4. **Please indicate the number of permanent employees with disabilities:**

   The Company has 13 permanent employees with disabilities as on 31st March, 2020.

5. **Do you have an employee association that is recognized by the Management?**

   No there is no employee association which is recognized by the management of the Company.

6. **What percentage of permanent employees are members of this recognized employee association?**

   Not Applicable

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No 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 under mentioned employees were given safety and skill up-gradation training in the last year?**

   (a) Permanent employees
   (b) Permanent women employees
   (c) Causal / subcontracted employees
   (d) Employees with disabilities

   KPTL's in house Learning Centre "**Kalpa-Vriksha Learning Centre**" with state-of-the-art facilities has been our lighthouse in skilling and preparing our teams for future requirements. With the launch of various leadership development and functional/ technical skill building initiatives, KPTL is continuously preparing for the future in addition to nominating senior leaders and key role holders to leadership development programs at IIM, ISB, Harvard etc.

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With the easily accessible Learning Management System **("LMS")**, an e-learning platform, available to all employees and accessible at all times, various new Technical & Behavioural modules have been added to the well-stocked repository of tools already available on LMS, to name few – Tower Erection, Open Foundation, Cube Testing, Pile Testing, Stringing Activity, POSH, Negotiation Skills, Kalpataru Code of Conduct, PMS guidelines, Advance Excel, Welding in OnG, Trenching in OnG, and around 40+ other technical and soft skill modules.

Furthermore, major programs / initiatives in FY 2019-20 conducted for employee skill upgradation are as under:

- Project Management Certification Course with objective of migration from Construction Management to Project management
- Organized more than 6 batches under the **3 Tier Leadership Development Intervention** covering approx. 129 participants under Leading with a growth mindset, LEAP and LEAD programs.
- 152 Mentoring meetings conducted under KPTL mentoring journey up to March, 2020 (300+ total meetings held since launch of the program in FY 19).
- Conducted more than 188 focused trainings across India and overseas locations internally covering 2,800+ participants
- Sponsored specific training programs, Coaching, Job Rotation, Programs on Team Building, Collaboration & Effective Communication Skills
- Spiritual / Motivational Training Programs for employees at Gandhinagar, Mumbai, Noida and Raipur
- Trainings on Positive Attitude, Personality Development, Wellness etc.

During FY 2019-20, KPTL conducted 608 Programs in various fields for skill up-gradation of its workforce spanning over ~6,450 man-days and in total 7706 participants participated in such programs from time to time. Approx. 98% of the permanent employees while 98% of permanent women employees received skill up-gradation trainings during FY 2019-20.

The employees and labourers of the Company were also imparted various types of Safety awareness trainings like Behavior based safety, Work at Height & Fall protection, Hot work safety (Welding work/Gas cutting work/Grinding Work), Electrical safety, Excavation safety, Fire Prevention and Fire Fighting Training, Defensive driving, Material handling, First Aid, Risk Management and Control at Workplace, Safety while working with earth moving equipment, Environment Aspect and Impact Studies, Emergency Preparedness/Disaster Management, Railway track Safety, OHE Work Safety, Transmission line Erection safety, Transmission line Stringing Safety etc. The Company also conducted Safety mock drills and Fall & PPE Demonstrations for imparting practical experience to its workforce. To create awareness about safety related matters, the Company undertook special campaigns by celebrating Fire Safety Day, Environment Day, National Safety Day / week, Road Safety week, World Earth day etc.

During FY 2019-20, 100% of permanent employees including permanent women employees and employees with disabilities and 100% of Casual / Subcontracted employees were imparted safety trainings on continuous basis.

The efforts of the Company towards skill upgradation of its employees and overall safety culture was recognized and Company was conferred upon with various Awards in this regards, details of which are provided in Director's Report.

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This enables KPTL to understand that its stakeholder's comprise a large and mixed community with varied expectations and KPTL always strives to match their expectations to foster strong relationships with them. We conduct business professionally to create value for all stakeholders ensuring that we are a responsible partner that serves the wider interests of society

The key categories and their modes of engagements are as below:

Stakeholders	Medium of Engagement
Investors and shareholders	Investor meetings, Investor Conferences, Conference Calls, Annual General meetings, Press Releases, Investor Presentations, Annual Report etc.
Government and Regulatory Authorities	Industry associations, forums and Statutory filings etc.
Employees	Employee Engagement Surveys, Meetings, newsletters, Circulars, notices, Corporate policies, trainings, Welfare / social initiatives including Annual get-together for employees and their families, Employee family engagement Programs, town hall meetings etc.
Clients / Customers	Client meetings, monthly / quarterly Project review meetings, Performance Reports etc.
Local community	Visits, Camps, Corporate Social initiatives, meetings with villagers, farmers etc.
Bankers / Lenders	Regular review meetings, Pre-defined Reports etc.
Suppliers	Site visits, Supplier's visit, personal / telephonic interactions etc.
Contractors	Review meetings, Training to contractor workers etc.

2. **Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?**

Yes. The Company acknowledges that it is very important to engage proactively with marginalized stakeholders to demonstrate a sincere commitment as it can take a long time to build trust with these stakeholders. The Company runs specific programs under Corporate Social Responsibility (CSR) umbrella focused on benefitting the disadvantaged, vulnerable and marginalized communities.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so**

Yes, the CSR initiatives of the Company are aimed at improving lives of weaker sections of society and contribute to sustainable living of communities. Few such activities are listed below:

Disadvantaged, vulnerable and marginalized stakeholder group	Initiatives
Poor and economically underprivileged section of society (including Rural & Tribal Poor and Urban Slum Dwellers)	• Medical services (consultation and treatment) at subsidized rates at Kalpa Seva Arogya Kendra, Gandhinagar, Gujarat and Mumbai, Maharashtra • Free Eye Surgeries • Sanitation through Construction / Rehabilitation of Urinals and Toilets • Combating and Containing Novel Corona Virus (CoVID-19) through various relief activities like distributing nearly 50,000 meals for poor and needy etc. • Research activities and Diagnosis of Cancer Patients
Poor and Needy Students	• Infrastructural Development in and around and at government schools • Repair and Renovation of different Rural Child care Anganwadi Centres (approx. 21) to combat child hunger and malnutrition • Educational Support • Interactive Mathematics & Science working models based Mini Science laboratories to learn science and mathematics in more effective and interesting way
Needy Girl children	• Education Promotion by contributing VAN for commutation by needy girls children to School

Business Responsibility Report

Disadvantaged, vulnerable and marginalized stakeholder group	Initiatives
Homeless, helpless, hopeless, destitute persons	• Support for the residential homes by the name **'Apna Ghar Ashram'**, where all facilities like treatment, food, clothing, personal care, and medical/surgical treatments are provided free of cost to homeless, helpless, hopeless, destitute persons generally found in very harsh and painful conditions on roadsides, railway stations, bus stands, religious and other public places.
Specially abled individuals	• School Bus for bringing needy deaf children to School
Patients suffering from Parkinson's disease	• Providing support and rehabilitation to people suffering from the debilitating condition of Parkinson's disease through support centres
Flood Victims	• Clothes, Utensils, Mosquito net, food items etc. for flood relief activities

An Annual Report on such activities carried out by the Company for well-being of community at large is annexed as **Annexure A** to the Director's Report.

Principle 5: Business should respect and promote human rights

1. **Does the Company's policy on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   KPTL is committed for 'Protection of Human Rights' across its value chain including of its employees, workers, and other key stakeholders involved in its operations and has established system and practices for maintaining transparency, fairness and equity. KPTL's Corporate Human Rights Policy specifies guidelines, which the parties should observe while doing business with KPTL like comply and adhere to all the applicable human rights laws and national laws, avoid human rights abuses, respect the rights of people in communities impacted by the business activities, Treat everyone fairly and without discrimination etc. The Corporate Human Rights Policy extends to subsidiaries and Joint Ventures of KPTL and Suppliers, Vendors, Contractors etc. of KPTL.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   The Company has not received any stakeholder complaints in the past financial year.

Principle 6: Business should respect, protect, and make effort to restore the environment

1. **Does the policy pertaining to this Principle cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   KPTL is committed to conserving of natural resources and minimizing potential harmful environmental effects resulting from its manufacturing and construction activities. The Environmental, Occupational Health & Safety Policy (EOHS Policy) of the Company covers the Company and its Contractors & all other relevant stakeholders. The EOHS Policy encourages the Company to consolidate and improve environmental performance through formulation and implementation of environment protection procedures and practices in its Operations. Environment protection and the conservation of natural resources are part of KPTL's business philosophy.

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.**

   Yes, as a responsible Company, KPTL carries out initiatives to address global long-term challenges such as climate change and diminishing resources in a socially, ecologically and economically responsible manner. During the year under review, the Company developed Green Belt through Canal cleaning/deepening, Plantation etc. for conservation of water and protection of environment. The Company's automation drive also embodies environmental issues in its considerations. The Company has integrated the galvanizing process with ERP system which will now enable the Company to minutely capture data metrics and use the same for process improvement to save energy consumption. The Company started use of Precast Tower Foundations in its Transmission Line Projects which has immensely reduced the resource requirements & improved environment protection. The Company has embedded environmental concerns such as global warming in its manufacturing process and therefore, as a continuous ongoing activity it introduces energy efficient machineries and processes in plant and project sites optimizing the use of natural resources on an ongoing basis.

The management system of all our manufacturing plants are ISO 14001:2015 certified which provides reasonable assurance that the outputs from the system will have minimal negative environmental impact and improved environmental performance due to resource efficiency, reduction in wastage and assurance that environmental impact is measured and mitigated appropriately.

Further, in order to contribute to sustainable development and renewable energy, the Company has two Biomass power generation plants and both the plants have been registered with UNFCC under the Clean Development mechanism and both the projects has contributed to a great extent over years in reducing carbon intensity of emissions and have earned Gold Standard Certifications.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company, in its different businesses, does identifies and assess potential environmental risks and adopts a formal approach to mitigate and minimize any potential damage to the environment viz. In Transmission Line business funded by multilateral funding agencies and export credit agencies, Environment & Social Impact Assessment (ESIA) Study is carried out by KPTL clients prior to floating tenders. The scope of ESIA is to identify, evaluate & report the environmental and socio-economic effects of the project. The process includes identification of mitigative measures, that will be used to reduce or eliminate potential adverse effects, where appropriate. KPTL ensures that Mitigative measures are implemented during the course of project construction under the supervision of competent authority from the government. The authority provides required certification for operation of the project, upon satisfactory implementation & compliances of mitigative measures. In certain contracts, KPTL itself conducts ESIA study.

4. **Does the Company have any project related to Clean Development Mechanism (CDM)? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?**

Yes, the company has two projects registered as Clean Development Mechanism (CDM) projects under United Nations Framework Convention on Climate Change (UNFCCC), the details of which are as under:

(a) Biomass Power Generation Project at Ganganagar, Rajasthan registered under fixed crediting period (10 Years) from 1st August 2003 to 31st July 2013. The project Registration Number is 0058. The link of the project at UNFCCC is https://cdm.unfccc.int/Projects/DB/TUEV-SUED1112801052.32/view. The total number of Carbon Emission Reductions approved by UNFCCC during aforesaid 10 years' period were 339755/t CERs. Further, since the fixed crediting period has expired, the Company is exploring other avenues for offsetting Carbon credits generated at Ganganagar plant in the International market.

(b) Biomass Plant Project at Tonk registered under renewable crediting period (7 years x 3). First crediting period was 7th October, 2008 to 6th October, 2015. The project registration number is 1774. The second crediting period is 7th October 2015 to 6th October, 2022. The link of the project at UNFCCC is https://cdm.unfccc.int/Projects/DB/TUEV-SUED1207570579.37/view The total number of Carbon Emission Reductions approved by UNFCCC during said first 7 years period were 276281/t CERs. In the Second Crediting Period the number of Carbon Emission Reduction approved by UNFCCC during 7th October 2015 to 31st March, 2017 were 57229/t CERs. For the period of 1st April 2017 to 30th Sept 2018, Gold Standard Organization labeled the 68627/t CERs. For the next period of 1st October, 2018 to 31st December, 2019, the number of Carbon Emission Reduction approved by UNFCCC were 63157/t CERs.

Both the above projects have achieved Gold Standard Certification. Gold Standard is the only premium quality standard for carbon emission reduction projects with added sustainable development benefits and guaranteed environmental integrity.

Periodical Compliance Reports, as applicable are submitted to CPCB and SPCB from time to time.

Business Responsibility Report

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyperlink to web page etc.**

   The Company has a 303.3 KWp roof top solar plant at Gandhinagar factory (Main Plant) which generated renewable solar energy of approx. 3.60 lakhs units during FY 2019-20 saving about 292 MT CO2 during FY 2019-20. The Company also has four windmills installed to generate renewable energy for captive consumption. The four windmills generated renewable energy of more than 15.50 lakhs units during FY 2019-20. The Company is continuously working for improving energy efficiency either through improved operations or through adoption of better technologies. The Company is focused on maximizing energy-efficiency and reducing greenhouse gas (GHG) emission intensity. At various office locations and manufacturing locations, the Company on continuous basis is replacing conventional light fittings with energy efficient LED Lights.

   Please refer **Annexure E** to Director's Report which contains details of steps taken by the Company for Conservation of energy.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   Yes, the emissions / waste generated are within the permissible limits given by CPCB/SPCB.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   There are no show cause / legal notices received from CPCB/SPCB which are pending as of end of financial year.

Principle 7: Business, 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 chambers of association? If yes, name only those major ones that your business deals with.**

   Yes, the Company is a member of the following key associations:

   - Confederation of Indian Industry
   - Federation of Indian Chamber of Commerce and Industry
   - The Associated Chambers of Commerce and Industry of India
   - Indian Electrical & Electronics Manufacturers' Association (IEEMA)
   - Gujarat Chamber of Commerce and Industry
   - Exim Club (Association of Exporters & Importers)
   - Project Exports Promotion Council of India
   - EEPC India
   - International Pipeline & Offshore Contractors Association
   - Central Board of Irrigation and Power
   - Cable and Conductors Manufacturers Association of India

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Polices, Energy security, Water, Food Security, Sustainable Business Principles, Others):**

   KPTL doesn't engage in any form of lobbying activities. However, it actively works for improvement of public good and therefore engages with business forums and trade associations. KPTL's Senior executives are active members of industry bodies that participate in the development of public policy that addresses issues affecting industry, business and clients. Advocacy policy is in place to ensure that advocacy positions are consistent with the principles and core elements contained in "Our Values" of the Company and various policies of the Company, which enhances business responsibility and transparency.

   KPTL is broadly involved in Governance and Administration, Economic Reform and Energy security areas for advocating public good.

Principle 8: Business should support inclusive growth and equitable development

1. **Does the company have specified programme / initiatives/ projects in pursuit of the policy related to principle 8? If yes details thereof.**

   KPTL has always been at forefront in fulfilling its Social Responsibilities. It has various long term multiyear as well as short term projects and programs under its CSR Policy. **"Kalp - Seva Arogya Kendra"** functioning through Kalpataru Welfare Trust provides medical services to economically underprivileged sections of the society. The Trust supports multi-specialty dispensary and pathological laboratory with ultra-modern infrastructure and facilities viz. X- Ray, Sonography, Dental etc. and organizes regular visits by MD Physician, ENT, Dentistry, Gynecology, Orthopedics and Child specialists with check-up camps from the medical fraternity of Gandhinagar at very nominal cost where free medicines are also distributed. The "Kalp - Seva Arogya Kendra - Gandhinagar" has been operational for approx. 10 years since 2009 benefitting on an average approx. 100 patients per day. Kalpataru Welfare Trust also operates Kalpa Seva Arogya Kendra in Mumbai and it collaborates with well-meaning NGOs and individuals to provide specialized healthcare (consultation and treatment) at subsidized rates. During the year under review, various Osteopathy Camps and Health Awareness Camps were organized. During such camps, the Specialized Doctor's provide treatment to patients suffering from arthritis, back pain, joints, muscles, frozen shoulder, spine and postural problems. On an average, more than 700-800 patients are benefitted every month through this Camps and till date more than 13,000 patients have availed services of this Camps. The Company has provided free eye surgeries to more than 3,300 patients till date through its CSR Partner Vision Foundation of India.

   Apart from such long term ongoing projects, the Company has also undertaken various other programme and projects under its CSR Policy in the field of Ensuring environmental sustainability, Promoting Education, Flood Relief activities, Promotion to Technology incubators, Combating COVID-19 etc.

2. **Are the programmes/projects undertaken through in-house team / own foundation /external NGO/Govt. structure /any other organisation?**

   The Company follows multiple models for implementing its CSR initiatives. Kalpataru Welfare Trust is a registered trust established by the Company and runs Kalpa-Seva Arogya Kendra in Gandhinagar and Mumbai which provides medical services. These initiative has a huge coverage both in terms of scale as well as impacts. The Company has also undertaken Projects through External Registered Trusts and Societies. Recently, the Company has also incorporated a Section 8 Company named as "Kalpataru Foundation" for large scale implementation of CSR Projects of Kalpataru Group.

3. **Have you done any impact assessment of your initiative?**

   The Company undertakes impact assessment of certain CSR Projects and Programs on continuous basis and assess the benefits gained to the community through its CSR initiatives. In addition, certain External Registered Trusts and Societies through which Company carries out its CSR initiatives have done Impact assessment of the CSR Projects/Programmes.

Business Responsibility Report

4. **What is the Company's direct monetary contribution to community development projects - Amount in INR and the details of projects undertaken?**

   The Company's direct monetary contribution to community development projects in FY 2019-20 was ₹ 376.44 lakhs. An Annual Report on details of projects undertaken as CSR activities is annexed as Annexure A to the Director's Report.

5. **Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

   A 360 degree project implementation approach is adopted by the Company to implement CSR Projects across its locations which includes need assessment, Participatory planning / collaboration formation, collaborative implementation, monitoring, project evaluation and learning and redesigning the Project. This approach paves way for successful adoption of CSR initiatives by the beneficiary community. This also ensures large scale participation by target audience for whose benefit the Projects are designed. External Trusts / Societies through which Company undertakes some of its initiatives have a track record of various years in performing such activities and based on ongoing feedback received by them from beneficiaries of its existing Programs, KPTL carries its initiatives through such Trust / Society which leads to a successful adoption by the beneficiary Community and sustained outcomes.

Principle 9: Business 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 FY 2019-20?**

   There are no customer complaints / consumer cases pending as of end of FY 2019-20. Also the Company is not providing / selling its services / products to end consumers. The product and services supplied / provided by KPTL are generally industrial inputs which are used for commercial purposes and not by end consumers.

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 Towers manufactured by KPTL carry adequate labelling and codes thereby providing adequate information to Clients. The Company also displays Client specified information viz. Client name, project name for which the Tower is being supplied etc.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of Financial year? If so, provide details thereof, in about 50 words or so**

   There are no cases filed against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**

   Customer Centricity and Quality are the core values of KPTL, which are integrated into DNA of KPTL. KPTL is committed to provide products and services which consistently comply with agreed specifications and contractual requirements and in a manner that results in high degree of customer satisfaction. Various Clients and customers of the Company has repeatedly recognized satisfactory professional performance of KPTL, quality of work, Project Execution skills and ethical business dealings. KPTL's unremitting effort is to deliver project completion ahead of time with best quality in each of our business. KPTL also seeks feedback from its Clients on completion of project in the form of a questionnaire on various aspects of materials and services supplied by KPTL. In EPC business, Customer satisfaction is noted at "Project Completion Certificate" and various clients across all businesses have issued satisfactory Project Completion Certificates during FY 2019-20.

Furthermore, below appreciations / certificates were received by KPTL from its client during FY 2019-20:

A) On the occasion of National Safety Week' 2019 Celebration, APTRANSCO, the Company's client conferred the Company with Safety Appreciation Certificate in recognition and appreciation for continual improvement & excellent performance in safety at 400kV Rachagunneri, 132kV Yerpedu & 220kV Naidupet Substations.

B) Power Grid Corporation of India Limited **("PGCIL")** conferred a **Certificate of Appreciation** for EHS Performance of the Company in recognition and appreciation for continual improvement and excellence performance in Occupational Health, Safety & Environment for the period 2019-2020 at 765kV D/C PS Hexa Varanasi – Vidhyanchal Transmission Line Project.

C) PGCIL also conferred a **"Certificate of Appreciation"** to the Company for achievement of successfully executing 765kV S/C Sipat Bilaspur Transmission Line CKT 1 & CKT 2 without any lost time accident and maintaining improved EHS & Quality Standards.

D) Transmission Corporation of Andhra Pradesh Limited issued Appreciation Letter for successfully completion of Upgradation of 220/132 kV Rachangunneri SS to 400/220/132 kV Rachangunneri SS and connected Transmission network adhering to 100% safety and Quality norms.

E) M/s Technip FMC presented to the Company HSE Award for successfully achieving one million safe man hours and for outstanding performance in safety initiatives while executing IGHDS project of IOCL at Assam, India.

F) Engineers India Limited, a Navratna Company appreciated the Company on achievement of two million man hours without any Lost Time Accident as EPC Contractor for Balance of Plant & Utilities on LSTK basis for LPG Import facility at BPCL, Haldia.

KPTL have also won various other accolades from its clientele at both domestic and international front for execution of well-planned strategy and deftly laid out business processes. This clearly depicts the satisfaction trends amongst the customers of KPTL.

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date : 20 May, 2020

Standalone Financial Statements

Independent Auditors' Report

To the Members of
Kalpataru Power Transmission Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kalpataru Power Transmission Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, in which are included the financial statements of one joint operation for the year ended on that date audited by other auditor of the Company's joint operation (hereinafter referred to as 'standalone financial statements').

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 ("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, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditor in terms of their reports referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional 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.

Sr. No.	The key audit matter	How the matter was addressed in our audit
1.	**Recognition of contract revenue and margin:** The Company enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods. Ind AS 115, Revenue from Contracts with Customers, requires an entity to select a single measurement method for the relevant performance obligation which depicts the entity's performance in transferring goods or services. In case of onerous contract, present obligations are recognized and measured as provisions. The Company is recognizing contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard. It relies on management's estimates of the final outcome of each contract, and involves management judgement, particularly in forecasting the cost to complete a contract, valuing contract variations, claims and liquidated damages.	Our procedures included the following: • We selected a sample of contracts to test, using a risk-based criteria which included individual contracts with: - significant revenue recognised during the year; - significant unbilled work in progress (WIP) balances held at the year end; or - low profit margins. • Obtained an understanding of management's process for analyzing long term contracts, the risk associated with the contract and any key judgements. • Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry, observations, re-performance and inspection of evidence.

Independent Auditors' Report (Contd..)

Sr. No.	The key audit matter	How the matter was addressed in our audit
	We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete the contract is inherently subjective, complex and require significant management judgement. The same may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations etc., and could result in significant variance in the revenue and profit or loss from contract for the reporting period. Refer note 23 to the standalone Financial Statements.	• Verified underlying documents such as contract, and its amendments, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and / or any change in such estimation. • Evaluating retrospective results for contracts completed during the current year. Comparing the final outcome of the contracts with previous estimates made for these contracts to assess the reliability of management forecasting process. • Considered the adequacy of the disclosures in note 23 to the standalone financial statements.
2.	**Recoverability of carrying value of loans investment** The assessment of recoverable value of the Company's investment in and loans receivable from certain subsidiaries involves significant judgement. These include assumptions such as discount rates, current work in hand, future contract wins/ future business plan, recoverability of its receivables and growth rate. We focused on this area as a key audit matter due to judgement involved in forecasting future cash flows and the selection of assumptions. Refer note 6 and 8 to the standalone Financial Statements.	Our procedures included the following: • Evaluated the design and implementation and testing operating effectiveness of controls over the management review process of impairment assessment. • Evaluated net worth and past performance of the Company to whom loans given or investment made. • Challenged the significant assumptions and judgements used in impairment analysis, such as forecast revenue, margins, terminal growth and discount rates with the assistance of our valuations specialist; • Comparing the previous forecast to actual results to assess the Company's ability to forecast accuracy. • Performing sensitivity analysis on Key assumptions including discount rates and estimated future growth. • Evaluated accuracy of disclosures in the financial statements.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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. If, based on the work we have performed and based on audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133

Independent Auditors' Report (Contd..)

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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Independent Auditors' Report (Contd..)

Other Matter

We did not audit the standalone financial statements of one joint operation included in the standalone financial statements of the Company whose standalone financial statements reflect total assets of Rs 75.43 crores as at March 31, 2020 and total revenue of Rs 63.64 crores, total net profit after tax of Rs. 0.80 crores and cash (outflow) of Rs. 0.11 crores for the year ended on that date, as considered in the standalone financial statements. The said standalone financial statements and other financial information have been audited by the other auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of joint operation, is based solely on the report of such other auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report 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.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements;

   b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 33 and Note 44 to the standalone financial statements;

   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d) The disclosure in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.

   (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAABI8352

Mumbai
May 20, 2020

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets and by which all the fixed assets are verified in phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified its fixed assets during the year and we are informed that no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 5(i) to the standalone financial statements, are held in the name of the Company.

Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease arrangements are in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(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)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has made investment referred in Section 186(1) of the Act and have complied with the provisions of Section 186 of the Act, to the extent applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits during the year as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no material undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditors' Report (Contd..)

b) According to the information and explanations given to us, there are no dues of service tax, duty of custom, income tax, value added tax, goods and services tax and other material statutory dues have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of Statute	Nature of Dues	Amount (Rs. in crores)*	Period to which it relates	Forum where dispute is pending	Amount paid under protest / refund withheld by department (Rs. in crores)
Sales Tax and Value Added Tax Laws	Sales Tax and Value Added Tax	22.66	2007-08 & 2010-11	Deputy Commissioner (Appeals)	1.72
		3.46	2009-10 to 2013-14	High Court	1.74
		8.88	Various years from 2011-12 to 2014-15	Joint Commissioner (Appeals)	2.67
		1.62	Various years from 2005-06 to 2012-13	Tribunal	6.78
The Customs Act, 1962	Customs Duty	0.23	Various years from 2010-11 to 2014-15	Tribunal	0.13
The Finance Act, 1994	Service Tax	68.80	Various years from 2003-04 to 2014-15	Tribunal	4.98
The Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	0.18	2011-12	Commercial Tax Appellate Board	1.10
The Odisha Entry Tax Act, 1999	Entry Tax	0.17	2009-10 to 2013-14	Tribunal	0.01
The Central Excise Act, 1994	Excise Duty	4.93	2015-16 & 2016-17	Tribunal	-
The Central Excise Act, 1994	Excise Duty	0.39	2011-12 to 2015-16	Commissioner (Appeals)	-
Algerian Tax Laws	I.B.S., I.R.G., T.A.P. and T.V.A.	25.52	2008 to 2009	Ministry of Finance, General Directorate of Taxes, Algeria	8.20
Senegal Tax Laws	Tax on income	3.63	2016 to 2017	General Directorate of Taxes and Domains, Dakar, Senegal	22.00

*net of amount paid under protest / refund withheld by department

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to the banks, financial institutions and dues to debenture holders. The Company did not have any outstanding loans and borrowings to Government.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company during the year have been applied for the purpose for which they are raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us except fraud on the Company committed by an erstwhile employee of the Company resulting into loss suffered of Rs. 2.45 crore, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial

Annexure A to the Independent Auditors' Report (Contd..)

remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 42 of the Act in respect of preferential allotment of shares through non-cash equity swap transactions during the year. Further, according to the information and explanations given to us and based on our examination of the records of the Company, we report that no amounts were raised in respect of preferential allotment being non-cash equity swap transaction.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAABI8352

Mumbai
May 20, 2020

Annexure B to the Independent Auditors' report

on the standalone financial statements of Kalpataru Power Transmission Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A) (f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Kalpataru Power Transmission Limited (the "Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure B to the Independent Auditors' report (Contd..)

on the standalone financial statements of Kalpataru Power Transmission Limited for the year ended 31 March 2020.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAABI8352

Mumbai
May 20, 2020

Standalone Statement of Balance Sheet

as at March 31, 2020

(₹ in Crores)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	5 (i)	584.87	558.86
(b) Capital Work in Progress		39.52	7.74
(c) Intangible Assets	5 (ii)	9.04	11.80
(d) Right of Use Assets	37	39.81	-
(e) Financial Assets			
(i) Investments	6	864.22	648.56
(ii) Trade Receivables	7 (i)	100.33	90.38
(iii) Loans	8 (i)	456.46	283.79
(iv) Others	9 (i)	19.90	18.77
(f) Deferred Tax Assets (net)	10	-	15.66
(g) Other Non-Current Assets	11 (i)	48.92	43.24
		2,163.07	**1,678.80**
Current Assets			
(a) Inventories	12	738.93	622.10
(b) Financial Assets			
(i) Trade Receivables	7 (ii)	3,517.39	3,281.26
(ii) Cash and Cash Equivalents	13	303.39	136.51
(iii) Bank Balances other than (ii) above	14	33.69	8.97
(iv) Loans	8 (ii)	174.13	155.09
(v) Others	9 (ii)	60.56	22.45
(c) Current Tax Assets (net)	15	37.06	15.20
(d) Other Current Assets	11 (ii)	2,203.80	1,964.54
		7,068.95	**6,206.12**
Assets classified as held for sale	6.2	422.61	366.96
TOTAL ASSETS		**9,654.63**	**8,251.88**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	30.94	30.69
(b) Other Equity	17	3,504.65	3,121.47
		3,535.59	**3,152.16**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18 (i)	299.29	454.22
(ii) Trade Payable	19 (i)		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b)total outstanding dues of creditors other than micro enterprises and small enterprises		206.89	171.54
(iii) Other financial Liabilities	20 (i)	34.90	13.24
(b) Provisions	22 (i)	27.19	26.30
(c) Deferred Tax Liabilities (net)	10	5.11	-
(c) Other Non-Current Liabilities	21 (i)	3.69	46.04
		577.07	**711.34**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18 (ii)	878.09	153.70
(ii) Trade Payables	19 (ii)		
(a) total outstanding dues of micro enterprises and small enterprises		68.60	31.76
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,067.63	2,028.09
(iii) Other Financial Liabilities	20 (ii)	418.59	171.06
(b) Other Current Liabilities	21 (ii)	1,787.69	1,683.48
(c) Provisions	22 (ii)	321.37	303.83
(d) Current Tax Liabilities (net)	15	-	16.46
		5,541.97	**4,388.38**
TOTAL EQUITY AND LIABILITIES		**9,654.63**	**8,251.88**
Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 52		

For and on behalf of the Board of Directors

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 20, 2020

Rajeev Kumar
Company Secretary

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 20, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Crores)

Particulars	Note	2019-20	2018-19
Revenue from Operations	23	7,904.03	7,115.11
Other Income	24	58.39	51.21
TOTAL INCOME		**7,962.42**	**7,166.32**
EXPENSES			
Cost of Materials Consumed	25	3,329.70	2,948.55
Changes in Inventories of Finished goods and Work in progress	26	(62.15)	4.61
Erection, Sub-Contracting and other Project Expenses	35	2,634.78	2,296.57
Employee Benefits Expense	27	525.67	454.10
Finance Costs	28	166.23	119.01
Depreciation and Amortization Expenses	5	110.48	85.99
Other Expenses	29	615.98	633.11
TOTAL EXPENSES		**7,320.69**	**6,541.94**
Profit Before Exceptional Items and Tax		641.73	624.39
Exceptional Items - gain	49	23.94	-
Profit Before Tax		**665.67**	**624.39**
Tax Expense			
Current Tax		171.20	221.30
Deferred Tax		31.42	1.79
Profit for the year		**463.05**	**401.30**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Gain /(Loss) on Defined Plan Liability		0.44	2.37
Income tax on Actuarial Gain /(Loss)		0.07	(0.83)
		0.51	**1.54**
Items that will be reclassified subsequently to Profit or Loss			
Exchange differences in translating foreign operation		8.78	8.61
Gain/(Loss) on hedging instruments		(43.41)	19.05
Income tax on above items		10.19	(9.66)
		(24.44)	**18.00**
Total Comprehensive Income for the year		**439.12**	**420.84**
Earnings per Equity Share (of ₹ 2 each)			
Basic and Diluted (₹)	34	30.02	26.15
Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 52		

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Mumbai : May 20, 2020

Standalone Statement of Changes in Equity

for the year ended March 31, 2020

A : Equity Share Capital

(₹ in Crores)

Particulars	Amount
Balance as at April 1, 2018	30.69
Changes in equity share capital during financial year 2018-19	-
Balance as at March 31, 2019	**30.69**
Shares issued during the year (Refer Note 16.3)	0.25
Balance as at March 31, 2020	**30.94**

B : Other Equity

(₹ in Crores)

Particulars	Reserves & Surplus				Other Comprehensive Income / (Loss)			Total
	Debentures Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedges	Exchange differences of foreign operations	Actuarial Loss on Defined Plan Liability	
Balance as at April 1, 2018	**100.00**	**779.42**	**328.09**	**1,540.71**	**(3.89)**	**(4.61)**	**(0.37)**	**2,739.35**
Profit for the year 2018-19	-	-	-	401.30	-	-	-	401.30
Other Comprehensive income/(Loss) for the year (net of tax)	-	-	-	-	12.40	5.60	1.54	19.54
Impact of Ind AS 115 (net of taxes)	-	-	-	6.14	-	-	-	6.14
Dividends Paid including tax thereon	-	-	-	(44.86)	-	-	-	(44.86)
Transfer to General Reserve from Retained Earnings	-	-	10.00	(10.00)	-	-	-	-
Transfer to Debenture Redemption Reserve from Retained Earnings	25.00	-	-	(25.00)	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(25.00)	-	25.00	-	-	-	-	-
Balance as at March 31, 2019	**100.00**	**779.42**	**363.09**	**1,868.29**	**8.51**	**0.99**	**1.17**	**3,121.47**
Profit for the year 2019 - 20	-	-	-	463.05	-	-	-	463.05
Securities Premium on shares issued during the year	-	64.41	-	-	-	-	-	64.41
Other Comprehensive income for the year (net of tax)	-	-	-	-	(31.01)	6.57	0.50	(23.93)
Impact of Ind AS 116 -net of taxes	-	-	-	(1.18)	-	-	-	(1.18)
Dividends Paid including tax thereon	-	-	-	(119.16)	-	-	-	(119.16)
Transfer to General Reserve from Retained Earnings	-	-	10.00	(10.00)	-	-	-	-
Transfer to Debenture Redemption Reserve from Retained Earnings	-	-	-	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**100.00**	**843.83**	**373.09**	**2,201.00**	**(22.50)**	**7.56**	**1.67**	**3,504.65**

(i) Securities premium is used to record the premium on issue of shares. This can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Debenture Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

(iii) The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.

Also refer Significant Accounting Policies and Notes forming part of the Financial Statements

For and on behalf of the Board of Directors

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For **B S R & Co. LLP**
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Executive Director
DIN: 03469908
Mumbai : May 20, 2020

Standalone Statement of Cash Flow

for the year ended March 31, 2020

(₹ in Crores)

Particulars	2019-20	2018-19
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	**463.05**	**401.30**
Adjustments for :		-
Tax Expenses	202.60	223.09
Depreciation and Amortization Expense	110.48	85.99
Finance Cost	166.23	119.01
Dividend Income	(14.31)	(6.85)
Interest Income	(41.58)	(44.02)
(Profit) / Loss on sale of Property, Plant and Equipment (net)	(0.47)	2.50
Impairment of Investment	6.89	-
Profit on sale of subsidiary	(30.79)	-
Provision for Allowance for Expected Credit Losses	(22.19)	17.81
Unrealised Foreign Exchange(gain)/ Loss (net)	(53.91)	(11.96)
Net (gain)/ loss arising on financial assets	(0.19)	2.27
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**785.81**	**789.14**
Adjustments for:		
Trade and other Receivables	(441.33)	(619.67)
Inventories	(116.83)	(137.71)
Trade and other Payables	224.78	728.45
CASH GENERATED FROM OPERATIONS	452.44	760.21
Income Tax Paid	(209.51)	(234.86)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**242.93**	**525.35**
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)	(170.31)	(121.87)
Proceeds from disposal of Property, Plant and Equipment	0.47	3.48
Proceeds from sale of subsidiary	87.33	-
Investment in Subsidiaries and Joint Ventures	(270.09)	(238.05)
Loans given to Subsidiaries and Joint Ventures	(216.10)	(20.00)
Repayment of loans by Subsidiaries	62.71	203.51
Interest Received	39.36	13.57
Dividend Received	14.31	6.85
Deposits with Banks	(24.30)	(20.04)
CASH GENERATED/ (USED IN) INVESTING ACTIVITIES	**(476.62)**	**(172.55)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Current/Non Current Borrowings	-	3.27
Proceeds from Issue of Non Convertible Reedemable Debentures	-	100.00
Redemption of Non Convertible Debentures	-	(100.00)
Repayment of Current/Non Current Borrowings	(36.74)	(33.64)
Net increase / (decrease) in short-term borrowings	724.39	(95.42)
Payment of Lease Liability	(14.31)	-
Finance Cost Paid	(153.24)	(120.88)
Dividend Paid including tax thereon	(119.16)	(44.86)
CASH GENERATED/ (USED IN) FINANCING ACTIVITIES	**400.94**	**(291.53)**
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.37)	0.41
D. NET INCREASE/[DECREASE] IN CASH AND CASH EQUIVALENTS	**166.88**	**61.68**
E. Opening Cash and Cash Equivalents	**136.51**	**74.83**
F. Closing Cash and Cash Equivalents	**303.39**	**136.51**

Standalone Statement of Cash Flow

for the year ended March 31, 2020

NOTES :

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Cash and Cash Equivalents at the end of the year comprises:		
(a) Cash on hand	1.88	2.02
(b) Cheques on hand	-	34.66
(c) Balances with Banks		-
(i) In current accounts	297.17	84.69
(ii) In Fixed Deposit Accounts	4.34	15.14
Cash and Cash Equivalents as per Statement of Cash flows	**303.39**	**136.51**

(ii) Reconciliation of liabilities arising from financing activities:

(₹ in Crores)

Particulars	As at 31 March, 2019	Cash Flow	Non-Cash Changes	As at 31 March, 2020
Borrowings	646.65	687.65	-	1,334.30

(iii) The Statement of Cash Flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Statement of Cash Flows.

Also refer Significant Accounting Policies and Notes forming part of the Financial Statements

For and on behalf of the Board of Directors

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For **B S R & Co. LLP**
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Vikas R Kasat
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Membership No : 105317
Mumbai : May 20, 2020

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Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 20, 2020

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

1. Corporate Information

Kalpataru Power Transmission Limited (referred to as the "Company") is a global EPC player with diversified interest in power transmission and distribution, oil and gas pipeline, railways and biomass based power generation.

The company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar 382028, Gujarat, India

2. Basis of preparation of Financial Statement

The Standalone or Separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These Standalone Ind AS financial statements are presented in Indian Rupees (INR), which is Company's presentation currency. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on May 20, 2020.

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. Use of Estimates

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Policy for the same has been explained under Note 4(P).

Impairment of Investments

The Company reviews its carrying value of investments carried at cost, annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 4(F).

4. Significant Accounting Policies

A. Revenue Recognition

(i) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognized

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, time value of money and price variations/escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating various factors.

(ii) Revenue from other contracts

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services are recognized when services are rendered.

(iii) Others

Revenue from Bio Mass division is recognized on supply of electricity generated to the customer.

Dividend are recognized when right to receive payment is established. Interest income is recognized on time proportion basis.

Export benefits are accounted as revenue on accrual basis as and when export of goods take place.

B. Onerous contract

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

C. Operating cycle

Operating cycle for the business activities of the company related to long term contracts [i.e. supply or construction contracts] covers the duration of the specific project/contract including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective project/contract.

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

D. Lease

The Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

The Company has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

E. Foreign Currency

In preparing the financial statements, transaction in foreign currencies i.e. other than the company's functional currency are recognised at rate of exchange prevailing for the month, on the dates of the transactions.

Foreign currency monetary assets and liabilities, remaining unsettled at the reporting date are translated at the exchange rate prevailing at reporting date and differences are recognised in statement of profit and loss. Foreign currency non-monetary assets and liabilities, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of reporting
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference are recognized in other comprehensive income.

F. Income taxes

Income tax expense comprises Current tax & deferred tax. Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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.

G. Inventories

Raw materials, fuel, semi-finished goods, finished goods, scraps, construction work in progress, construction materials and other stores and spares, tools are stated at lower of cost and net realizable value. The cost of inventories is computed on weighted average basis. Manufacturing overheads are absorbed on the basis of normal/ actual capacity of production.

H. Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks/financial institutions, with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

I. Employee Benefits

a) Defined benefit plan

Gratuity liability is provided under a defined benefit plan and covered by payment thereof to gratuity fund under Group Gratuity Cash Accumulation Scheme of IRDA approved insurer under an irrevocable trust. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income.

b) Defined contribution plan

Contribution to Provident Fund, a defined contribution plan is charged to the Statement of Profit and Loss.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

c) **Compensated absence**

Provision for compensated absences is made on actuarial valuation as at the Balance Sheet date.

d) **Short-term employee benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

J. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The determination of fair value net of cost to sell includes use of management estimates and assumptions.

K. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as expense in the period in which they are incurred.

L. Provisions and Contingent Asset /Liabilities

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

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a **contingent liability** is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but are disclosed in the notes to Financial Statements when economic inflow is probable.

M. Interests in Joint Operations

A joint operation is a Jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When an entity undertakes its activities under joint operations, the Company as a joint operator recognises for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets.

Transactions with the Joint operation by Company are recognized in the financial statements only to the extent of other parties' interests in the joint operation.

N. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial asset at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Contracts

The Company enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

gain or loss is recognized in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

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 values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

O. Property, Plant and Equipment & Intangible assets

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to Property, Plant and Equipment till assets are put to use, are capitalized.

P. Depreciation and Amortisation

Depreciation is provided on all depreciable property, plant and equipment over the useful life prescribed under schedule II to the Companies Act, 2013 except that:

a) Depreciation on plant and machinery of bio-mass energy plants is provided considering the useful life of plant as 20 years, as specified in Central Electricity Regulatory Commission and Rajasthan Electricity Regulatory Commission Regulations.

b) Depreciation on assets of overseas projects is provided at the rates and methods as per the best estimates of the management which is also in accordance with requirement of laws of respective foreign countries as detailed below:

Plant & Machineries	: 10% - 25%
Furniture & Fixtures, Office Equipment	: 10 % - 33%
Computers	: 10% - 50%
Vehicles	: 15% - 38%

c) Depreciation on Furniture & Fixtures and certain plant and machinery at construction sites is provided considering the useful life of 3 years and 5 years respectively based on past experience.

Depreciation is provided on Straight Line Method (SLM) except on assets pertaining to Research and Development Centre and one Unit (erstwhile Export Oriented Unit) which are provided on the basis of written down value method.

Intangible assets are amortized over a period of five years on straight line basis.

Q. Impairment

a) Financial asset

Company applies as per Ind AS 109 expected credit loss model for recognizing impairment loss on trade receivables, other contractual rights to receive cash or other financial asset.

b) Non-Financial asset

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

R. Earnings Per share

Basic earnings per share are computed by dividing profit or loss for the period of the Company by dividing weighted average number of equity shares outstanding during the period. The company did not have dilutive potential equity shares in any period presented.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

5. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Financial Year 2019-20

(₹ in Crores)

Particulars	Gross Block					Depreciation and Amortization					Net Block
	As at 1st April 2019	Additions	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2020	As at 1st April 2019	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2020	As at 31st March, 2020
(i) PROPERTY, PLANT AND EQUIPMENT											
Leasehold Land	24.92	10.43	-	-	35.35	-	-	-	-	-	35.35
Freehold Land	46.62	0.26	-	-	46.88	-	-	-	-	-	46.88
Buildings	158.93	4.62	0.04	-	163.51	24.43	7.83	0.01	-	32.25	131.26
Plant and Equipment	468.56	71.04	5.27	5.24	539.57	200.92	59.93	3.99	2.57	259.43	280.15
Electrical Installation	8.80	0.76	-	-	9.56	3.21	0.89	-	-	4.10	5.46
Furniture and Fixtures	16.07	0.19	0.13	(0.00)	16.12	6.77	1.46	0.11	-	8.12	8.00
Office Equipments	33.14	5.62	0.58	0.23	38.41	15.65	6.73	0.49	0.10	21.99	16.42
Vehicles	71.72	23.59	5.01	3.55	93.86	29.93	13.15	3.57	2.29	41.80	52.06
Research & Development Assets											
Leasehold Land	0.47	-	-	-	0.47	-	-	-	-	-	0.47
Buildings	0.66	-	-	-	0.66	0.13	0.03	-	-	0.16	0.49
Plant and Equipment	11.15	0.11	-	-	11.26	1.87	1.64	-	-	3.52	7.75
Electrical Installation	0.15	-	-	-	0.15	0.05	0.02	-	-	0.07	0.08
Furniture and Fixtures	0.28	0.01	-	-	0.29	0.09	0.05	-	-	0.15	0.15
Office Equipments	0.61	0.04	0.01	-	0.64	0.46	0.08	0.01	-	0.53	0.11
Vehicle	0.39	-	-	-	0.39	0.09	0.05	-	-	0.14	0.25
	-	-	-	-							
Total (i)	**842.47**	**116.67**	**11.04**	**9.02**	**957.12**	**283.60**	**91.86**	**8.18**	**4.96**	**372.25**	**584.87**
(ii) INTANGIBLE ASSETS											
Software											
(Other than internally generated)											
R&D Assets	0.04	-	-	-	0.04	0.04	-	-	-	0.04	-
Others	18.42	0.55	-	-	18.97	6.62	3.30	-	-	9.92	9.04
Total (ii)	**18.46**	**0.55**	**-**	**-**	**19.01**	**6.66**	**3.30**	**-**	**-**	**9.96**	**9.04**
Total (i + ii)	**860.93**	**117.22**	**11.04**	**9.02**	**976.13**	**290.26**	**95.17**	**8.18**	**4.96**	**382.21**	**593.91**

Financial Year 2018-19

(₹ in Crores)

Particulars	Gross Block					Depreciation and Amortization					Net Block
	As at 1st April 2018	Additions	Deductions	Foreign Currency Translation Reserve	As at 31st March 2019	As at 1st April 2018	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31st March 2019	As at 31st March 2019
(i) PROPERTY, PLANT AND EQUIPMENT											
Leasehold Land	24.92	-	-	-	24.92	-	-	-	-	-	24.92
Freehold Land	46.62	-	-	-	46.62	-	-	-	-	-	46.62
Buildings	150.59	10.01	1.68	-	158.93	16.92	7.63	0.12	-	24.43	134.49
Plant and Equipment	398.00	78.34	10.17	2.39	468.56	150.72	56.57	7.81	1.44	200.92	267.64
Electrical Installation	7.27	1.53	-	-	8.80	2.36	0.84	-	-	3.20	5.60
Furniture and Fixtures	14.22	1.89	0.08	0.05	16.07	5.19	1.59	0.05	0.04	6.77	9.31
Office Equipments	22.88	10.45	0.15	(0.04)	33.14	9.71	6.00	0.10	0.03	15.65	17.49
Vehicles	57.83	17.92	3.91	(0.12)	71.72	21.37	10.37	1.92	0.11	29.93	41.79
Research & Development Assets	-	-	-	-		-	-	-	-		
Leasehold Land	0.47	-	-	-	0.47	-	-	-	-	-	0.47
Buildings	0.66	-	-	-	0.66	0.10	0.03	-	-	0.13	0.52
Plant and Equipment	3.70	7.45	-	-	11.15	1.30	0.57	-	-	1.87	9.28
Electrical Installation	0.15	-	-	-	0.15	0.02	0.03	-	-	0.05	0.10
Furniture and Fixtures	0.25	0.03	-	-	0.28	0.03	0.06	-	-	0.09	0.19
Office Equipments	0.48	0.13	-	-	0.61	0.37	0.09	-	-	0.46	0.15
Vehicle	0.39	-	-	-	0.39	0.05	0.05	-	-	0.09	0.29
Total (i)	**728.43**	**127.75**	**15.99**	**2.28**	**842.47**	**208.14**	**83.83**	**10.00**	**1.62**	**283.60**	**558.86**
(ii) INTANGIBLE ASSETS											
Software											
(Other than internally generated)											
R&D Assets	0.04	-	-	-	0.04	0.03	0.01	-	-	0.04	0.00
Others	10.95	7.47	-	-	18.42	4.46	2.16	-	-	6.62	11.80
Total (ii)	**10.99**	**7.47**	**-**	**-**	**18.46**	**4.49**	**2.17**	**-**	**-**	**6.66**	**11.80**
Total (i + ii)	**739.42**	**135.22**	**15.99**	**2.28**	**860.93**	**212.63**	**86.00**	**10.00**	**1.62**	**290.27**	**570.66**

Notes : (a) Refer note 46 for security created on property plant and equipment.

(b) Buildings includes ₹ 0.11 Lakhs (Previous year ₹ 0.11 Lakhs) being value of investment in shares of Co-operative Societies.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

6. INVESTMENTS - NON CURRENT

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
A. Investments - carried at cost						
(a) In Equity Instruments of Subsidiaries						
Quoted,						
JMC Projects (India) Limited [Refer note 6.1 (a)]	INR	2	11,37,57,395	11,28,14,405	324.28	320.87
Unquoted,						
Shree Shubham Logistics Limited [Refer note 6.1(b) and (d)]	INR	10	7,34,32,165	5,87,86,660	187.69	122.97
Energylink (India) Limited	INR	10	15,39,59,607	15,39,59,607	153.96	153.96
Amber Real Estate Limited	INR	10	9,90,000	9,90,000	0.99	0.99
Adeshwar Infrabuild Limited	INR	10	50,000	50,000	0.05	0.05
Kalpataru Satpura Transco Private Limited (Refer Note 6.2)	INR	10	1,61,90,000	1,61,90,000	-	-
Kalpataru Metfab Private Limited	INR	10	3,00,10,000	3,00,10,000	26.05	26.05
Alipurduar Transmission Limited (Refer Note 6.2)	INR	10	5,56,31,020	5,56,31,020	-	-
Kohima-Mariani Transmission Limited (Refer Note 6.2)	INR	10	5,42,56,353	2,22,00,000	-	-
Kalpataru Power Transmission (Mauritius) Limited	USD	1	5,75,000	5,75,000	2.90	2.90
Kalpataru Power Transmission USA, Inc.	USD	1	5,00,000	5,00,000	2.28	2.28
LLC Kalpataru Power Transmission Ukraine	UAH	1	3,99,650	3,99,650	0.27	0.27
Kalpataru Power Transmission Sweden AB	SEK	50	14,06,635	1,000	52.49	0.04
Kalpataru IBN Omairah Company Limited	SAR	1000	325	325	0.55	0.55
Less: Provision for diminution in the value of Investments in Kalpataru Metfab Private Limited and Energylink (India) Limited					(10.93)	(4.08)
Total of Unquoted Investments in Subsidiaries					**416.30**	**305.98**
Total of Investments in Equity of Subsidiaries					**740.58**	**626.85**
(b) In Equity Instruments of Joint Venture, Unquoted,						
Jhajjar KT Transco Private Limited (Refer Note 6.2)	INR	10	1,12,64,286	1,12,64,286	-	-
Kohima-Mariani Transmission Limited (subsidiary upto May 1, 2018)	INR	10	5,42,56,353	2,22,00,000	-	-
Total of Investments in Equity of Joint Venture					**-**	**-**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

6. INVESTMENTS - NON CURRENT (Contd..)

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
(c) In 6% Compulsory convertible Preference share (CCPS) of Subsidiary						
Unquoted,						
Shree Shubham Logistics Limited [Refer note 6.1(e)]	INR	10	10,00,00,000	-	100.00	-
Total of Compulsory convertible Preference share of subsidiary					**100.00**	**-**
Total of Investments in Equity instruments carried at cost					**840.58**	**626.85**
B. Investment - Carried at amortised cost						
Unquoted,						
Investments in Non-Convertible Preference Shares of a Subsidiary,						
Shree Shubham Logistics Limited	INR	10	1,58,80,000	1,58,80,000	16.01	14.40
Total of Investments Carried at amortised cost					**16.01**	**14.40**
C. Investment - Carried at fair value through profit or loss (FVTPL)						
Quoted,						
Mutual Fund,						
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option	INR	10	5,00,000	5,00,000	0.50	0.50
Equity instruments,						
Power Grid Corporation of India Limited	INR	10	48,366	48,366	0.77	0.96
Total of Investments Carried at fair value through profit or loss (FVTPL)					**1.27**	**1.46**
D. Interest Free Loans to Subsidiaries in the nature of Equity Support carried at cost					6.36	5.85
Grand Total					**864.22**	**648.56**
Aggregate carrying amount of Quoted Investments					325.55	322.33
Market Value of Quoted Investments					384.63	1,346.77
Aggregate amount of Unquoted Investments					538.67	326.23

6.1 (a) Investment in equity instrument in JMC Projects (India) Limited includes ₹ 0.85 Crores arising on initial recognition of financial guarantee, given by the Company on behalf of JMC Projects (India) Limited, at fair value. Face value of each equity share was subdivided from ₹ 10 per share to ₹ 2 per share with effective from 4th October, 2018.

(b) Investment in equity instrument of Shree Shubham Logistics Limited includes ₹ 6.26 Crores arising on initial recognition of investment in 4% redeemable preference shares at fair value and ₹ 4.21 Crores arising on initial recognition of financial guarantee, given by the Company on behalf of Shree Shubham Logistics Limited, at fair value.

(c) 30,04,337 (Previous Year - 30,04,337) Equity Shares of Jhajjar KT Transco Private Limited, 2,83,71,824 (Previous Year - 2,69,87,832) Equity shares of Alipurduar Transmission Limited and 2,18,74,104 (Previous Year - 1,13,22,000) Equity shares of Kohima-Mariani Transmission Limited have been pledged with Banks and Financial Institutions for providing financial assistance to them.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

6. INVESTMENTS - NON CURRENT (Contd..)

(d) Nil (Previous Year - 55,64,069) Equity Shares of Shree Shubham Logistics Limited has been pledged with a Bank.

(e) CCPS would be converted into equity share of the Subsidiary in financial year 2020-21

6.2 Assets classified as held for sales

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) In Equity Instruments of Subsidiaries	194.58	251.12
(b) In Equity Instruments of Joint Venture	228.03	115.83
Total of Asset classified as held for sales	**422.61**	**366.96**

During the previous year ended March 31, 2019, the Company initiated identification and evaluation of potential buyers for its subsidiaries -Kalpataru Satpura Transco Private Limited (KSTPL), Alipurduar Transmission limited (ATL) and joint ventures - Jhajjar KT Transco Private Limited (JKTPL) , Kohima-Mariani Transmission Limited (KMTL) (collectively referred to as "the transmission assets"). Accordingly assets and liabilities in respect to these transmission assets were classified as "held for sale. During the current year, the Company entered into binding agreement with CLP India Private Limited (CLP) to sell its stake in 3 (Three) power transmission assets namely, KSTPL, ATL and KMTL. On November 20, 2019, the Company has completed the sale of its entire stake in KSTPL. Subsequent to the year end, agreement between the Company, ATL and CLP terminated on account of non-fulfilment of certain conditions precedent as per the agreed terms. The Company is now actively pursuing and evaluating opportunities to sell its stake in ATL and JKTPL to suitable investor(s).

7. TRADE RECEIVABLES

(Unsecured Considered good)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current	106.50	105.28
Less : Allowance for expected credit loss	(6.17)	(14.90)
TOTAL	**100.33**	**90.38**
(ii) Current	3,549.36	3,323.00
Less : Allowance for expected credit loss	(31.97)	(41.74)
TOTAL	**3,517.39**	**3,281.26**

8. LOANS

(Unsecured Considered good)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Loans to related parties (Refer Note 42)		
to Subsidiaries	395.45	249.28
Security Deposits	61.01	34.51
TOTAL	**456.46**	**283.79**
(ii) Current		
Loans to related parties (Refer Note 42)		
to Subsidiaries	121.39	110.88
to Joint Venture Companies	34.18	31.16
Security Deposits	18.56	13.05
TOTAL	**174.13**	**155.09**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

9. OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Interest on Fixed Deposit	2.15	0.89
Fixed Deposit with Banks *	17.75	17.88
TOTAL	**19.90**	**18.77**
* Held as margin money and towards other commitments.		
(ii) Current		
Accrued Income	8.41	6.79
Fixed Deposit with Banks **	9.52	-
Others	42.63	15.66
TOTAL	**60.56**	**22.45**

**Includes ₹ 3.76 Crores (Previous Year ₹ NIL Crores) held as margin money and towards other commitments

10. DEFERRED TAX ASSET/LIABILITIES (NET)

(₹ in Crores)

Particulars	As at 1st April, 2019	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in retained earning	As at 31st March, 2020
2019-20					
Deferred tax assets / (liabilities) in relation to:					
Property, Plant and Equipment and on intangible assets	(12.85)	4.31			(8.54)
Expenses deductible / income taxable in other tax accounting period and change in fair value	7.70	(24.14)	10.19	0.40	(5.85)
Provision for Expected Credit Loss	21.44	(11.58)			9.86
Employee benefits	(0.63)		0.07		(0.57)
TOTAL	**15.66**	**(31.42)**	**10.26**	**0.40**	**(5.11)**

(₹ in Crores)

Particulars	As at 1st April, 2018	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in retained earning	As at 31st March, 2019
2018-19					
Deferred tax assets / (liabilities) in relation to:					
Property, Plant and Equipment	(13.42)	0.57	-	-	(12.85)
Expenses deductible / income taxable in other tax accounting period and change in fair value	25.63	(4.97)	(9.66)	(3.30)	7.70
Provision for Expected Credit Loss	18.83	2.61	-	-	21.44
Employee benefits	0.20	-	(0.83)	-	(0.63)
TOTAL	**31.24**	**(1.79)**	**(10.49)**	**(3.30)**	**15.66**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

11. OTHER ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Capital Advances	41.22	32.92
Advance Rental	-	2.56
Prepaid Expenses	2.84	2.26
VAT Credit and WCT Receivable	4.86	4.34
Taxes Paid Under Protest	-	1.16
TOTAL	**48.92**	**43.24**
(ii) Current		
Taxes and duties Recoverable	41.23	48.69
VAT Credit and WCT Receivable	83.65	100.79
GST Receivable	261.90	186.80
Export Benefits Receivable	22.68	21.00
Taxes Paid Under Protest	28.71	4.92
Advance to Suppliers	169.55	115.67
Prepaid Expenses	49.54	38.75
Amount Due from Customers under Construction and other Contracts (Contract assets)	1,546.50	1,445.63
Advance Rental	-	2.29
Others	0.04	-
TOTAL	**2,203.80**	**1,964.54**

11.1 Amount due from/ (to) Customers under Construction Contract in progress at the end of the reporting period

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Recognised as amounts due:		
from Customers under Construction Contracts	1,547.52	1,450.33
to Customers under Construction Contracts (Refer Note 21)	(340.92)	(367.68)
Less: Allowance for expected credit loss	(1.02)	(4.71)
	1,205.58	**1,077.94**

11.2 The contract assets represents amount due from customer, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when invoice is raised on achievement of contractual milestones. This usually occurs when the Company issues an invoice to the customer. The contract liabilities represents amount due to customer, primarily relate invoice raised on customer on achivement of milestones for which revenue to be recognised over the period of time.

11.3 Increase in contract assets is mainly due to increase in business activities and in certain contracts on account of contractual milestones not achieved. During the year ended March 31, 2020, ₹ 1,420.26 Crores of contract assets as of April 1, 2019 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

11.4 In case of EPC contracts, amount in the range of 10-20% of the contract value is paid as an advance and 10-20% amount released at the end of project and balance amount is paid progressively based on the agreed milestones in the contract.

11.5 Revenue recognised for the current period includes ₹ 367.68 Crores, that was classified as amount due to customers at the beginning of the year.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

12. INVENTORIES

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials and Components (including goods in transit ₹ 9.51 Crores) (Previous Year ₹ 8.70 Crores)	256.69	262.39
Work-in-progress	46.29	31.46
Finished goods	137.36	90.96
Store, Spares, Construction Materials and Tools	293.80	233.42
Scrap	4.79	3.87
TOTAL	**738.93**	**622.10**

12.1 Amount of ₹ 4.18 Crores (Previous Year ₹ 3.72 Crores) has been recognised as an expense in the statement of profit and loss to bring inventory at net realisable value.

12.2 Refer accounting policy 4(G) for valuation of inventories

13. CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances With Banks		
In Current Accounts	297.17	84.69
In Fixed Deposit Accounts (with original maturity of less than 3 months)	4.34	15.14
Cheques on hand	-	34.66
Cash on Hand	1.88	2.02
TOTAL	**303.39**	**136.51**

14. OTHER BALANCES WITH BANKS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unpaid Dividend Accounts	0.60	0.37
Deposits with original maturity more than 3 months but less than 12 months**	33.09	8.60
TOTAL	**33.69**	**8.97**

** Includes ₹ 32.06 Crores (Previous Year ₹ 3.44 Crores) held as margin money and towards other commitments

15. CURRENT TAX

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net current tax assets/(liability)	37.06	(1.26)
Comprising of:		
Current Tax Assets	37.06	15.20
Current Tax Liability	-	16.46

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

16. EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
AUTHORISED :		
17,50,00,000 (Previous year 17,50,00,000) Equity Shares of ₹ 2 each	35.00	35.00
TOTAL	**35.00**	**35.00**
ISSUED, SUBSCRIBED and PAID-UP:		
15,47,15,470 (Previous year 15,34,60,570) Equity Shares of ₹ 2 each fully paid up	30.94	30.69
TOTAL	**30.94**	**30.69**

16.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March, 2020		As at 31st March, 2019	
	Numbers	₹ in Crores	Numbers	₹ in Crores
Shares outstanding at the beginning of the year	15,34,60,570	30.69	15,34,60,570	30.69
Add: Shares Issue during the year	12,54,900	0.25	-	-
Shares outstanding at the end of the year	15,47,15,470	30.94	15,34,60,570	30.69

16.2 The Company has only one class of Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholder.

16.3 During the year, the Company has acquired 19.94% stake in Shree Shubham Logistics Limited (SSL) from Tano India Private Equity Fund II, for a consideration of ₹ 64.66 crores. The consideration is paid through a non-cash equity swap transaction, in which 12,54,900 equity shares of the Company issued at the value of ₹ 515.25 per share.

16.4 Details of shareholders holding more than 5% shares in the Company

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mofatraj P. Munot	1,00,05,822	6.47	1,14,05,822	7.43
Mr. Parag M. Munot	79,63,615	5.15	1,34,63,615	8.77
Kalpataru Construction Private Limited	2,33,50,000	15.09	2,33,50,000	15.22
K. C. Holdings Private Limited	2,11,42,600	13.67	2,11,42,600	13.78
Kalpataru Properties Private Limited	1,36,46,196	8.82	1,36,46,196	8.89
HDFC Trustee Company Limited	1,49,10,202	9.64	1,33,48,217	8.70

17. OTHER EQUITY

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities Premium :		
At the beginning of the year	779.42	779.42
Add : Share issued during the year	64.41	-
At the end of the year	**843.83**	**779.42**

Notes forming part of the Standalone Financial Statement
for the year ended March 31, 2020

17. OTHER EQUITY (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Debentures Redemption Reserve :		
At the beginning of the year	100.00	100.00
Add : Transferred from Retained Earnings	-	25.00
Less : Transferred to General Reserve	-	25.00
At the end of the year	**100.00**	**100.00**
General Reserve :		
At the beginning of the year	363.09	328.09
Add : Transferred from Debenture Redemption Reserve	-	25.00
Add : Transferred from Retained Earnings	10.00	10.00
At the end of the year	**373.09**	**363.09**
Retained Earnings :		
At the beginning of the year	1,868.29	1,540.71
Add : Impact of Ind AS 115 (net of taxes)	-	6.14
Add : Profit for the year	463.05	401.30
Add : Impact of Ind AS 116 (net of taxes)	(1.18)	-
Less : Dividend on Equity Shares		
[Dividend per Share ₹ 3.00 (Previous Year ₹ 2.50)]	46.04	38.37
Less : Interim Dividend		
[Dividend per Share ₹ 3.50]	54.15	-
Less : Corporate Tax on Dividend	18.97	6.49
Less : Transferred to Debenture Redemption Reserve	-	25.00
Less : Transfer to General Reserve	10.00	10.00
At the end of the year	**2,201.00**	**1,868.29**
Other Comprehensive Income / (Loss)		
At the beginning of the year	10.67	(8.87)
Add: Other comprehensive income / (loss) for the year	(23.94)	19.54
At the end of the year	**(13.27)**	**10.67**
TOTAL	**3,504.65**	**3,121.47**

18(i) NON CURRENT BORROWINGS

(₹ in Crores)

	As at 31st March, 2020		As at 31st March, 2019	
	Non-Current	Current	Non-Current	Current
Secured - At amortised cost				
Term Loans				
From Banks	33.38	23.59	55.35	38.73
Unsecured - At amortised cost				
Non-Convertible Redeemable Debentures	266.67	133.33	400.00	-
Amount disclosed under the head "Other				
Financial Liabilities" (Refer Note 20)	-	(156.92)	-	(38.73)
Less : Unamortised Transaction Cost of Borrowings	(0.76)	-	(1.13)	-
TOTAL	**299.29**	**-**	**454.22**	**-**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

18(i) NON CURRENT BORROWINGS (Contd..)

18.1 Details of Unsecured Non-Convertible Redeemable Debentures :

(₹ in Crores)

Redemption	As at 31st March, 2020	As at 31st March, 2019	Interest rate	Date of Allotment
Redeemable at premium on 12.09.2022 (with yield 9%)	50.00	50.00	Zero	September 12, 2018
Redeemable at premium on 11.03.2022 (with yield 9%)	50.00	50.00	Zero	September 12, 2018
Redeemable at face value in 2 equal annual instalments starting from 27.09.2021	100.00	100.00	8.11% p.a.	September 27, 2017
Redeemable at face value in 3 equal annual instalments starting from 25.05.2020	100.00	100.00	8.45% p.a.	May 25, 2017
Redeemable at face value on 15.05.2020	100.00	100.00	7.90% p.a.	March 17, 2017

18.2 Term Loans from Banks

(a) ₹ 4.47 Crores (Previous Year ₹ 5.58 Crores) carries interest in range of 8.05% - 9.25% p.a. and is repayable in range of 1 to 38 equal monthly instalments along with interest. The Loan is secured by hypothecation of specific Vehicles.

(b) ₹ Nil (Previous Year ₹ 15 Crore) carries interest of 8.50% -9.00% p.a. secured by hypothecation of specific moveable fixed assets.

(c) ₹ 52.50 Crores (Previous Year ₹ 73.50 Crores) carries interest of 8.5% -9.00% p.a, secured by pari passu charges on movable and immovable fixed assets of transmission & distribution and infrastructure division of the Company to the extent of 1.25 times of outstanding facility. It is repayable in 10 equal quarterly instalments ending on September 30, 2022.

18.(ii) CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Working Capital Facilities from Banks	742.84	153.70
Unsecured		
Short Term Loans from Banks	135.25	-
TOTAL	**878.09**	**153.70**

Working Capital Facilities from Banks are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, book debts, bills receivable and all other movable assets on pari passu basis and also secured by movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission and distribution division and infrastructure division of Company. Working Capital Facilities carries interest in range of 3% to 9.7%.

19. TRADE PAYABLE

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Others	206.89	171.54
TOTAL	**206.89**	**171.54**
(ii) Current		
Total outstanding dues of Micro and Small enterprises	68.60	31.76
Others	2,067.63	2,028.09
TOTAL	**2,136.23**	**2,059.85**

All Trade payables are non interest bearing and payable or to be settled within normal operating cycle of the Company.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

20. OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Interest accrued but not due on borrowings	15.80	5.60
Lease Liability	18.06	-
Others	1.04	7.64
TOTAL	**34.90**	**13.24**
(ii) Current		
Current maturities of long term debt (Refer Note 18)	156.92	38.73
Creditors for capital expenditure	15.86	22.00
Deposit from Vendors	65.25	26.93
Interest accrued but not due on borrowings	12.85	12.65
Unpaid Dividend	0.60	0.37
Lease Liability	14.79	-
Others	152.32	70.38
TOTAL	**418.59**	**171.06**

21. OTHER LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Deposit from Customer	0.37	42.83
Other Payable	3.32	3.21
TOTAL	**3.69**	**46.04**
(ii) Current		
Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1 & 11.2)	340.92	367.68
Advance from Customers	1,315.28	1,205.77
Statutory Liabilities	129.77	107.75
Deferred Income	1.72	2.28
TOTAL	**1,787.69**	**1,683.48**

22. PROVISIONS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Employee benefits	13.06	9.69
Performance Warranties (Refer Note 33)	14.13	16.61
TOTAL	**27.19**	**26.30**
(ii) Current		
Employee benefits	3.28	2.15
Performance Warranties (Refer Note 33)	277.57	232.52
Expected Loss on Long Term Contracts (Refer Note 33)	40.52	69.16
TOTAL	**321.37**	**303.83**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

23. REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	2019-20	2018-19
Revenue from Contracts with Customer		
Sale of Products		
Tower Parts & Components	307.13	350.71
Others	78.33	64.86
Income from EPC contracts	7,424.95	6,582.93
Income from Services	-	5.50
Other Operating Income		
Sale of Scrap	54.54	73.74
Certified Emission Reduction Receipts	2.06	
Export Benefits	37.02	37.37
TOTAL	**7,904.03**	**7,115.11**

Revenue as per geographical segment is disclosed in Note 48

24. OTHER INCOME

(₹ in Crores)

Particulars	2019-20	2018-19
Interest Income		
On financial assets carried at amortised cost		
On Loans	31.71	37.06
On Fixed deposits	4.19	1.58
Others	5.68	5.39
Dividend Income		
Dividend from investment in subsidiaries	14.27	6.77
Dividend from investment measured at FVTPL	0.04	0.08
Other non operating income		
Rent Income	1.52	1.55
Grant Received	-	0.18
Insurance Claims	0.12	0.49
Miscellaneous Income	0.02	-
Other Gains and Losses		-
Gain / (Loss) on Investments designated at FVTPL	(0.19)	0.02
Gain / (Loss) on disposal of Property Plant & Equipment (net)	0.47	(2.50)
Others	0.56	0.59
TOTAL	**58.39**	**51.21**

25. COST OF MATERIAL CONSUMED

(₹ in Crores)

Particulars	2019-20	2018-19
Raw Materials		
Steel	706.74	763.24
Zinc	128.98	134.33
Components & Accessories, etc	2,458.47	2,013.05
Agricultural Residues	35.51	37.93
TOTAL	**3,329.70**	**2,948.55**

Notes forming part of the Standalone Financial Statement
for the year ended March 31, 2020

26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Crores)

Particulars	2019-20	2018-19
STOCK AT BEGINNING OF THE YEAR		
Finished Goods	90.96	94.98
Work-in-progress	31.46	32.19
Scrap	3.87	3.73
	126.29	**130.90**
STOCK AT CLOSE OF THE YEAR		
Finished Goods	137.36	90.96
Work-in-progress	46.29	31.46
Scrap	4.79	3.87
	188.44	**126.29**
TOTAL	**(62.15)**	**4.61**

27. EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	2019-20	2018-19
Salaries, Wages and Bonus	496.06	429.45
Contributions to Provident and Other Funds	20.38	18.37
Employees' Welfare Expenses	9.23	6.28
TOTAL	**525.67**	**454.10**

28. FINANCE COSTS

(₹ in Crores)

Particulars	2019-20	2018-19
Interest Expense	151.05	113.25
Other Borrowing Costs	4.38	4.31
Exchange Rate variation	10.80	1.45
TOTAL	**166.23**	**119.01**

29. OTHER EXPENSES

(₹ in Crores)

Particulars	2019-20	2018-19
Job Charges	56.52	54.34
Power and Fuel	18.66	20.06
Repairs and Maintenance:		
Plant and Machinery	3.25	3.79
Buildings	3.05	3.48
Others	0.50	0.60
Freight and Forwarding Expenses	107.05	151.26
Stores, Spares and Tools Consumed	14.12	14.42
Vehicle/ Equipment Running and Hire Charges	3.50	3.60
Testing Expenses	1.54	1.84
Pollution Control Expenses	2.24	1.92
Insurance	38.97	31.61
Rent	35.46	44.13
Rates, Taxes and Duties	38.28	47.69
Stationery, Printing and Drawing Expenses	5.77	5.43
Telecommunication Expenses	4.19	4.39

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

29. OTHER EXPENSES (Contd..)

(₹ in Crores)

Particulars	2019-20	2018-19
Travelling Expenses	56.75	54.76
Legal and Professional Expenses	82.48	32.55
Service Charges	0.06	11.92
Payment to Auditor		
Audit Fees	1.09	0.80
Other Services & Reports	0.19	0.23
Reimbursement of Expenses	0.02	0.12
Bank Commission and Charges (including ECGC Premium)	58.46	68.28
Allowance for Expected Credit Losses	(22.19)	17.81
Performance Warranties Expenses	48.34	34.62
Expenses towards Contractual Deductions	0.59	-
Loss on Material Damaged / Lost / Fire	0.28	0.75
Loss / (Gain) on Exchange Rate Variation	(18.39)	(19.32)
Sitting Fees & Commission to Non-Executive Directors	2.92	3.65
Corporate Social Responsibility Expenses	3.76	3.73
Carbon Credit Expenses	0.33	0.37
Miscellaneous Expenses*	68.19	34.28
TOTAL	**615.98**	**633.11**

*Includes ₹ 15 Crores (Previous Year Nil) towards contribution to Electoral trust

30. CONTINGENT LIABILITIES IN RESPECT OF

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Bank guarantees given by the Company	2.44	2.62
(b) Claims against Company not acknowledged as debt	23.13	18.16
(c) Demands by Service Tax/Stamp Duty and other Tax/ Revenue Authorities, disputed by the company	45.25	19.65
(d) VAT/WCT/ Entry Tax demands disputed by Company	47.64	55.01
(e) Corporate Guarantee / Letter of Comfort given for loan to subsidiaries	365.00	230.00
(f) Bank Guarantee given on behalf of subsidiaries	42.27	60.27
(g) Deed of Indemnity given on behalf of a subsidiary	136.13	-

31. CAPITAL & OTHER COMMITMENTS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed for Tangible capital Assets and not provided for (Net of advances)	62.20	37.49

(b) Company has given undertakings to the term lenders of Alipurduar Transmission Limited and to Kohima Mariani Transmission Limited to meet cost overrun of the Project.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

32. CSR EXPENDITURE

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Gross amount required to be spent by the company during the year	6.35	3.66
(b) Amount spent on purposes other than construction/ acquisition of any assets		
Eradicating Hunger, Promoting Healthcare	2.45	3.12
Promoting Education, Sanitation	0.68	0.45
Environment, technology and others	0.63	0.16
Total	**3.76**	**3.73**

33. THE DISCLOSURE AS REGARDS TO PROVISION AS PER IND AS 37 " PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a DISCLOSURE AS REGARDS TO PROVISION FOR PERFORMANCE WARRANTIES		
Carrying amount at the beginning of the year	249.13	231.07
Add: Provision/Expenses during the year	83.93	83.69
Less : Reversal of Provision on finality of Warrantee & Guarantee	32.55	45.73
Less : Utilisation during the year	5.77	16.62
Less : Discounting	3.05	3.28
Carrying amount at the end of the year	**291.70**	**249.13**
b PROVISION FOR EXPECTED LOSS ON LONG TERM CONTRACT		
Carrying amount at the beginning of the year	69.16	48.95
Add: Provision/Expenses during the year	17.37	73.18
Less : Reversal/ Utilisation during the year	44.44	49.11
Less : Discounting	1.57	3.86
Carrying amount at the end of the year	**40.52**	**69.16**
c PROVISION FOR LITIGATED MATTERS		
Carrying amount at the beginning of the year	26.82	25.79
Add: Provision/Expenses during the year	0.88	1.03
Carrying amount at the end of the year	**27.70**	**26.82**

34. EARNINGS PER SHARE

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
No. of Equity Shares at the beginning of the year	15,34,60,570	15,34,60,570
Shares issued during the year (Nos)	12,54,900	-
No. of Equity Shares at the end of the year	15,47,15,470	15,34,60,570
Weighted Average No. of Equity Shares	15,42,69,740	15,34,60,570
Profit for calculation of EPS (₹ in Crores)	463.05	401.30
Basic and Diluted Earnings Per Share (₹)	30.02	26.15
Nominal value of Equity Share (₹.)	2.00	2.00

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

35. ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF

(₹ in Crores)

Particulars	2019-20	2018-19
Subcontracting expenses	1,485.11	1,135.82
Construction material, stores and spares consumed	471.33	517.63
Power and fuel	77.72	55.42
Freight and Forwarding Expenses	57.09	87.41
Vehicle and Equipment Hire Charges	210.47	177.81
Custom Duty, Clearing & Handling Charges	64.69	70.93
Others	268.38	251.55
Total	**2,634.78**	**2,296.57**

36. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Crores)

Particulars	2019-20	2018-19
(a) Research and Development Income and Expenses included in the Statement of Profit and Loss under various heads are given below:		
(i) Revenue from Operations		
Income from Design validation and Sale of scrap	16.79	6.40
(ii) Revenue Expenditure		
Cost of Materials Consumed	4.23	6.19
Employee Benefits Expenses	5.09	4.84
Depreciation	1.88	0.83
Excise Duty / GST	0.76	1.00
Other Expenses	2.02	1.82
(b) Capital Expenditure	0.16	7.61

37 Leases

1 Ind AS 116 Transition

Ministry of Corporate Affairs ("MCA") has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 requires lessee to recognise assets and liabilities for all the leases which conveys the right to use an asset for a period of time in exchange for consideration. Under Ind AS 17, lease arrangements where risk and rewards incidental to ownership of assets substantially vest to lessors were indentified as operating leases. Ind AS 116 requires to recognise depreciation and interest cost instead of rent expenses as hitherto done under Ind AS 17.

The Company has adopted Ind AS 116 "Leases" with effect from April 1, 2019, with a modified retrospective approach. The cumulative effect of initial application of Ind AS 116, has been adjusted in opening retained earnings on the date of application i.e. April 1, 2019, as permitted by standard. Similar impact on the results of the year ended March 31, 2020 is also not material. The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss. The weighted average incremental borrowing rate of 6.50% - 18.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

2 Reconciliaton of lease commitment under Ind AS 17 and lease liability recognised as at the date of transition i.e. 1st April 2019.

Particulars	₹ In crores
Lease Commitment under Ind AS 17 as at 31st March 2019	52.79
Discouting of lease payments	(6.43)
Short-term leases	(20.98)
Additional leases identified under Ind AS 116	3.91
Lease liability as at the date of transition under Ind AS 116	**29.29**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

37 Leases (Contd..)

Leases Discosure

1 The Company's significant leasing/ licensing arrangements are mainly in respect of residential / office premises. Leases generally have a lease term ranging from 14 months to 108 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

2 **Right-of-use assets by class of assets is as follows.**

(₹ in Crores)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	Recognised on the date of Transition to Ind AS 116	Additions	Deductions	As at 31 Mar 2020	Recognised on the date of Transition to Ind AS 116	For the Year	Deductions	As at 31 Mar 2020	As at 31 Mar 2020
TANGIBLE ASSETS									
Land	0.35	0.23	-	0.58	-	0.22	-	0.22	0.35
Buildings	27.36	27.18	-	54.54	-	15.09	-	15.09	39.45
Total (ii)	**27.71**	**27.41**	**-**	**55.12**	**-**	**15.31**	**-**	**15.31**	**39.81**

3 Finance costs includes interest expense amounting to ₹ 2.59 Crores for the year ended 31st March 2020 on lease liablity accounted in accordance with Ind AS 116 "Leases".

4 Rent expense in Note No. 29 Represents lease charges for short term leases.

5 **Lease liabilities**

(₹ in Crores)

Particulars	As at 31st March 2020
Maturity analysis - Undiscounted cash flows	
Less than one year	14.79
More than one year	23.66
Total undiscounted lease liabilities	**38.45**
Lease liabilities included in financial position	
Current	14.79
Non current	18.06

38. Disclosure under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

38.1 Details of loans given :

(₹ in Crores)

Particulars	As at 31st March, 2020	Maximum Balance during the year 2019-20	As at 31st March, 2019	Maximum Balance during the year 2018-19
Shree Shubham Logistics Limited	100.86	100.86	69.26	69.26
Amber Real Estate Limited	0.47	63.19	63.18	159.87
Kalpataru Power Transmission (Mauritius) Limited	6.13	6.13	5.62	7.69
Adeshwar Infrabuild Limited	0.24	0.24	0.23	0.23
Kalpataru Satpura Transco Private Limited	-	-	-	6.00
Kalpataru Power Transmission Sweden AB	100.74	100.74	-	-
Saicharan Properties Limited	193.37	193.37	180.01	272.22
Alipurduar Transmission Limited	121.39	121.39	47.70	47.70
Kohima Mariani Transmission Limited	29.93	29.93	27.51	27.97
Jhajjar KT Transco Private Limited	4.25	4.25	3.66	3.66
Jupiter Precious Gems & Jewellery	-	50.00	-	-
Priyanka Finance Private Limited	-	24.00	-	15.00
	557.38		**397.17**	

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

38 (Contd..)

38.2 Investment by below entities in their Subsidiaries :

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Shree Shubham Logistics Limited	19.88	19.88
Energy Link (India) Limited	151.15	151.15
Kalpataru Power Transmission (Mauritius) Limited	1.39	1.39
Linjemontage i Grastrop AB, Sweden	146.12	-

38.3 Details of Investments made by the company are given in Note 6 . Details of guarantees provided are given in Note 30.

38.4 All loans given and guarantees provided are for the purposes of the business.

39. During the financial year 2019-20, UNFCCC has issued 68627 CER's (Net of Adoption Fund) for the period 1st April 2017 to 30th September 2018 on account of generation of electricity from agricultural residues like mustard crop residue and other agricultural crop residue at Tonk Power Plant under the Clean Development Mechanism (CDM) of Kyoto Protocol for preventing environmental degradation. The Gold Standard Organisation also labeled the 68627 CER's. The payment of Euro 2,58,822 received in June 2019.

During the Finance year 2019-20, the verification process of 63157 CER's for the period 1st Oct 2018 to 31 Dec 2019 started. Verification report uploaded on UNFCCC for issuance of CERs on 24.03.2020.

40. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS

(a) Defined contribution Plans

The Company made contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Company recognized ₹13.50 Crores (Previous Year ₹ 12.23 Crores) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme. The Company makes contribution towards Employees State Insurance scheme operated by ESIC corporation. The Company recognized ₹ 0.18 Crores (Previous Year ₹ 0.20 Crores) for ESIC contribution in the statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

(b) Defined benefit plans

The Company offers the following employee benefit schemes to its employees

(i) Gratuity

The company made annual contributions to the Employee's Group Gratuity cash accumulation scheme's of IRDA approved agencies, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service as per the provisions of the Gratuity Act, 1972

(ii) Compensated absences

The Scheme is non-funded.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

40. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (Contd..)

(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity.

(₹ in Crores)

Particulars	2019-20	2018-19
(i) Expenses recognised during the year		
In Statement of Profit & Loss	3.39	3.09
In Other Comprehensive Income	(0.44)	(2.37)
Total	**2.95**	**0.72**
(ii) Expenses recognised in the Statement of Profit & Loss		
Current Service Cost	3.36	3.12
Net Interest Cost	0.03	(0.03)
Total	**3.39**	**3.09**
(iii) Expenses recognised in other comprehensive income		
Actuarial (gains) / losses on account of		
change in demographic assumptions	(0.01)	0.38
change in financial assumptions	1.39	(0.20)
experience adjustments	(2.11)	(2.53)
Return on plan assets	0.29	(0.02)
Total	**(0.44)**	**(2.37)**

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(iv) Net Liability recognised in the Balance Sheet		
Present value of obligation	27.29	25.15
Closing Fair value of plan assets	24.01	24.82
Assets/ (Liability) Recognized in Balance Sheet	**(3.28)**	**(0.33)**
(v) Changes in Present Value of Obligations		
Present value of obligation at the beginning of the year	25.15	23.98
Current service cost	3.36	3.12
Interest cost	1.94	1.66
Actuarial (gains) / losses arising from:	-	-
changes in financial assumptions	1.39	(0.20)
changes in demographic assumptions	(0.01)	0.38
changes in experience assumptions	(2.11)	(2.53)
Benefits paid	(2.42)	(1.26)
Present value of obligation at the end of the year	**27.29**	**25.15**
(vi) Changes in Fair Value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	24.82	24.37
Interest Income	1.91	1.69
Return on plan assets	(0.29)	0.02
Contributions by Employer	-	0.00
Benefits paid	(2.42)	(1.26)
Fair Value of Plan assets at the end of the year	**24.01**	**24.82**
(vii) Bifurcation of present value of obligations into current and non-current		
Current Assets / (Liability)	(3.28)	(0.33)

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

40. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (Contd..)

(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity.(Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(viii) Actuarial assumptions used in determining the obligation are		
Discount rate	6.90%	7.70%
Salary Escalation Rate	6.00%	6.00%
Mortality Rate	As per Indian Assured Lives Mortality (2012-14) Table	
Withdrawal Rate	2% to 11%	2% to 11%
Retirement Age	58 years	58 years
Expected Return on Plan Assets	6.90%	7.93%
(ix) Maturity Profile of Defined benefit obligation		
1 year	4.50	3.80
2 year	2.57	3.25
3 year	2.43	2.85
4 year	2.70	2.44
5 year	2.72	2.62
after 5 years	10.67	33.78
(x) quantitative sensitivity analysis for significant assumptions		
Defined Benefits Obligation (Base) (₹ in Crores)	27.29	25.15
Impact of change in discount rate		
Revised obligation at the end of the year		
due to increase of 0.50%	26.41	24.32
due to decrease of 0.50%	28.24	26.03
Impact of change in salary increase		
Revised obligation at the end of the year		
due to increase of 0.50%	28.09	25.98
due to decrease of 0.50%	26.51	24.36

Sensitivities due to mortality and rate of withdrawals are insignificant and therefore, ignored.

(d) Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

(i) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

(ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(iv) Investment Risk : The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

41.(1) The Company has entered into consortium with

(₹ in Crores)

Sr No.	Particulars	Nature of entity's relationship	Principle place of business	Proportion of Participating share held
a	JSC Zangas, Russia separately for four gas pipeline projects (i) Vijaipur to Kota, (ii) Panvel to Dabhol (iii) Vijaipur to Dadari and (iv) Dadari-Panipat,	Member	India	96%
b	JMC Projects (India) Limited and G.B. Yadav & Co. Pvt. Ltd. for railway projects as "KPTL-JMC-Yadav JV".	Member	India	60%
c	GPT Infrastructure Limited for railway projects as "GPT-KPTL JV".	Member	Bangladesh	49%
d	Cimechel Electric Co. for railway projects as "CIMECHEL-KPTL JV"	Member	India	49%
e	CHC Engineering Co. Ltd. for transmission line projects as "The Consortium of Kalpataru and CHC"	Member	Thailand	87%
f	Techno Electric & Engineering Co. Ltd. for transmission line projects as "Kalpataru - Techno"	Member	Uganda	63%
g	Henan Electric Power Survey & Design Institute for transmission line projects as " Joint Venture of HEPSDI & KPTL"	Member	Uganda	95%
h	Jyoti Structure Ltd. for transmission line projects as "Kalpataru - Jyoti Consortium"	Member	Tajikistan	78%
i	AER Construction and Development Co. Inc. for transmission line projects as "KPTL and AER Consortium"	Member	Philippines	60%
j	JMC Projects (India) Limited and Stroytech Services LLC (STS) for railway projects as "JMC- KPTL-STS JV".	Member	India	39%
k	Stroytech Services LLC (STS) for railway projects as "STS- KPTL JV".	Member	India	49%
l	Kalpataru Power Transmission RGM International LLC.	Member	Afghanistan	76%
m	Mirador Commercial Pvt. Ltd. For railway projects as "MCPL-KPTL JV"	Member	India	49%
n	Stroytech Services LLC (STS) for railway projects as "STS- KPTL JV" (KRCL)	Member	India	45%
o	JMC Projects (India) Limited and Eldyne Electro Systems Pvt. Ltd. for railway projects as "JMC- KPTL-EESPL JV"	Member	India	40%
p	JMC Projects (India) Ltd. and Stroytech Services LLP (STS) for Railway projects as "JMC-KPTL-STS JV"	Member	India	21%
q	Eldyne Electro Systems Pvt. Ltd. for Railway projects as "KPTL-EESPL JV"	Member	India	88%
r	Eldyne Electro Systems Pvt. Ltd. for Railway projects as "KPTL-EESPL JV"	Member	India	84%
s	JMC Projects (India) Ltd. and Eldyne Electro Systems Pvt. Ltd. for Railway projects as "JMC-KPTL-EESPL JV"	Member	India	38%
t	The Consortium of Kalpataru & Precise system project company LTD & TSEC	Member	Thailand	50%

Revenue, expenses, assets and liabilities for contracts awarded to aforesaid consortiums and executed by the Company under work sharing arrangements are recognized on the same basis as similar contracts independently executed by the Company.

(2) The Company has entered in to arrangement with Afcon Infrastructure Limited which is in the nature of Joint Operation as defined in Ind AS 111 " Joint Arrangement". The participation interest of the Company in the joint arrangement is 49%.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW:

List of Related Parties

(a) Subsidiaries

JMC Projects (India) Limited
Shree Shubham Logistics Limited
Energy Link (India) Limited
Amber Real Estate Limited
Kalpataru Power Transmission (Mauritius) Limited
Kalpataru Power Transmission USA Inc
Adeshwar Infrabuild Limited
Kalpataru Satpura Transco Private Limited (Up to 20th November 2019)
LLC Kalpataru Power Transmission Ukraine
Kalpataru Metfab Private Limited
Kalpataru IBN Omairah Company Limited
Alipurduar Transmission Limited
Kalpataru Power Transmission Sweden AB

(b) Indirect Subsidiaries

JMC Mining and Quarries Limited
Saicharan Properties Limited
Brij Bhoomi Expressway Private Limited
Wainganga Expressway Private Limited
Vindhyachal Expressway Private Limited
Punarvasu Financial Services Private Limited
Kalpataru Power DMCC
Linjemontage i Grästorp Aktiebolag
Linjemontage Service Nordic AB
Linjemontage AS

(c) Enterprises under significant influence, which are having transaction with the Company

Kalpataru Properties Private Limited
Kalpataru Retail Ventures Private Limited
Gurukrupa Developers
Property Solution (India) Private Limited
Kalpataru Limited
Kalpataru Construction Private Limited
K C Holdings Private Limited
Kalpataru Viniyog LLP
Kalpataru Holdings Private Limited
Argos Arkaya Power Solutions LLP
Kalpataru Foundation

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW: (Contd..)

(d) Key Management Personnel:

Mofatraj P. Munot	Promoter Director & Executive Chairman
Manish Mohnot	Managing Director and CEO

(e) Individuals having significant influence and their relatives:

Parag Munot	Promoter Director
Sunita Choraria	Relative of Promoter Director
Sudha Golechha	Relative of Promoter Director

(f) Joint Ventures :

Jhajjar KT Transco Private Limited

Kohima-Mariani Transmission Limited (Subsidiary upto May 1, 2018)

Transactions with Related Parties in ordinary course of business are:

(₹ in Crores)

	Particulars	Relationship	2019-20	2018-19
1	**Investment in Equity and Preference Shares**			
	Alipurduar Transmission Limited	Subsidiary	-	49.56
	Shree Shubham Logistics Limited	Subsidiary	100.00	-
	Energy Link (India) Limited	Subsidiary	-	101.96
	Kohima-Mariani Transmission Limited	Joint Venture	112.20	77.67
	Kalpataru Power Transmission Sweden AB	Subsidiary	52.45	0.04
2	**Net Loans and advances given/(returned)**			
	Shree Shubham Logistics Limited	Subsidiary	25.00	-
	Amber Real Estate Limited	Subsidiary	(62.73)	(84.33)
	Alipurduar Transmission Limited	Subsidiary	69.76	9.25
	Kalpataru Satpura Transco Private Limited	Subsidiary	-	(6.00)
	Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	-	(2.55)
	Adeshwar Infrabuild Limited	Subsidiary	0.01	0.01
	Kalpataru Power Transmission Sweden AB	Subsidiary	98.15	-
	Kohima-Mariani Transmission Limited	Joint Venture	-	(1.33)
	Jhajjar KT Transco Private Limited	Joint Venture	0.60	-
	Saicharan Properties Limited	Indirect Subsidiary	1.60	(102.80)
3	**Advance For Capex given/ (Refund)**			
	Gurukrupa Developers	Enterprises having significant influence	1.35	3.05
	Shree Shubham Logistics Limited	Subsidiary	(25.25)	-
	Kalpataru Properties Private Limited	Enterprises having significant influence	32.00	-
4	**Revenue from Operations**			
	JMC Projects (India) Limited	Subsidiary	2.47	10.44
	Jhajjar KT Transco Private Limited	Joint Venture	1.46	1.46
	Alipurduar Transmission Limited	Subsidiary	12.32	179.68
	Kohima-Mariani Transmission Limited	Joint Venture	360.09	310.12
	Kalpataru Satpura Transco Private Limited	Subsidiary	-	0.07
5	**Other Income**			
	Amber Real Estate Limited	Subsidiary	1.10	6.94
	Shree Shubham Logistics Limited	Subsidiary	8.07	7.40
	JMC Projects (India) Limited	Subsidiary	9.31	7.98
	Kalpataru Satpura Transco Private Limited	Subsidiary	0.00	0.00
	Kalpataru Metfab Private Limited	Subsidiary	0.00	0.00
	Saicharan Properties Limited	Indirect Subsidiary	13.07	14.66

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW: (Contd..)

Transactions with Related Parties in ordinary course of business are: (Contd..)

(₹ in Crores)

	Particulars	Relationship	2019-20	2018-19
	Jhajjar KT Transco Private Limited	Joint Venture	0.38	0.35
	Alipurduar Transmission Limited	Subsidiary	4.38	3.23
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	2.09
	Kohima-Mariani Transmission Limited	Joint Venture	2.81	4.33
	Punarvasu Financial Services Private Limited	Indirect Subsidiary	0.03	0.07
	Kalpataru IBN Omairah Company Limited	Subsidiary	6.34	-
	Kalpataru Power Transmission Sweden AB	Subsidiary	3.05	-
	LLC Kalpataru Power Transmission, Ukraine	Subsidiary	0.01	-
6	**Reimbursement of Expenses (Receivable)**			
	Kalpataru Satpura Transco Private Limited	Subsidiary	-	-
	Kalpataru IBN Omairah Company Limited	Subsidiary	0.21	0.14
	Alipurduar Transmission Limited	Subsidiary	50.00	-
	Shree Shubham Logistics Limited	Subsidiary	0.01	0.01
	JMC Projects (India) Limited	Subsidiary	0.09	-
	Kohima-Mariani Transmission Limited	Joint Venture	34.29	-
7	**Job Charges**			-
	LLC Kalpataru Power Transmission, Ukraine	Subsidiary	-	1.36
	Kalpataru Metfab Private Limited	Subsidiary	-	0.21
8	**Rent Expenses**			-
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	8.09	10.37
	Kalpataru Limited	Enterprises having significant influence	1.11	1.24
	JMC Projects (India) Limited	Subsidiary	0.89	1.22
9	**Service Charges**			-
	Kalpataru Power Transmission USA Inc.	Subsidiary	5.53	0.88
	Argos Arkaya Power Solutions LLP	Enterprises having significant influence	-	0.04
10	**Equipment Hire Charges**			
	Energy Link (India) Limited	Subsidiary	0.24	0.28
	LLC Kalpataru Power Transmission, Ukraine	Subsidiary	-	0.02
	JMC Projects (India) Limited	Subsidiary	0.67	-
11	**Reimbursement of Expenses (Payable)**			
	Property Solutions (I) Private Limited	Enterprises having significant influence	2.53	2.35
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.39	0.39
	Kalpataru Limited	Enterprises having significant influence	0.07	0.09
	Shree Shubham Logistics Limited	Subsidiary	-	0.00
	Jhajjar KT Transco Private Limited	Joint Venture	0.03	0.50
	Kalpataru IBN Omairah Company Limited	Subsidiary	-	0.08
	JMC Projects (India) Limited	Subsidiary	-	0.06
12	**Purchase of Property, Plant and Equipments**			
	Argos Arkaya Power Solutions LLP	Enterprises having significant influence	-	0.53
	Kalpataru IBN Omairah Company Limited	Subsidiary	-	0.00
13	**Purchase of Materials**			
	Kalpataru IBN Omairah Company Limited	Subsidiary	-	0.08
14	**Salary & Commission ***			-
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	11.90	14.00
	Mr. Manish Mohnot	Key Managerial Personnel	9.91	11.80
	Mr. Parag Munot	Promoter Director	1.28	1.70
	*Break up of compensations to key managerial personnel			
	short term employment benefits		21.81	25.80

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW: (Contd..)

Transactions with Related Parties in ordinary course of business are: (Contd..)

(₹ in Crores)

Particulars	Relationship	2019-20	2018-19
15 Dividend Paid			
Kalpataru Properties Private Limited	Enterprises having significant influence	8.87	3.41
Kalpataru Construction Private Limited	Enterprises having significant influence	15.18	5.84
Kalpataru Holdings Private Limited	Enterprises having significant influence	0.22	0.08
Kalpataru Viniyog LLP	Enterprises having significant influence	0.86	0.33
K C Holdings Private Limited	Enterprises having significant influence	13.74	5.29
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	7.74	2.85
Mr. Parag Munot	Promoter Director	6.83	3.37
Ms. Sudha Golechha	Relative of Promoter Director	0.57	0.22
Ms. Sunita Choraria	Relative of Promoter Director	0.57	0.22
16 Security Deposit Paid			
Kalpataru Limited	Enterprises having significant influence	0.12	0.52
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	28.00	0.21
17 Advance from Customers received/ (adjusted) (net)			
Alipurduar Transmission Limited	Subsidiary	(6.57)	(27.53)
Kohima-Mariani Transmission Limited	Joint Venture	(52.33)	55.26

Balance with Related Parties

(₹ in Crores)

Particulars	Relationship	As at 31st March, 2020	As at 31st March, 2019
1 Loans Given			
Amber Real Estate Limited	Subsidiary	0.47	63.18
Shree Shubham Logistics Limited	Subsidiary	100.86	69.26
Alipurduar Transmission Limited	Subsidiary	121.39	47.70
Adeshwar Infrabuild Limited	Subsidiary	0.24	0.23
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	6.13	5.62
Kalpataru Power Transmission Sweden AB	Subsidiary	100.74	-
Kohima Mariani Transmission Limited	Joint Venture	29.93	27.51
Saicharan Properties Limited	Indirect Subsidiary	193.37	180.01
Jhajjar KT Transco Private Limited	Joint Venture	4.25	3.65
2 Trade Receivable			-
JMC Projects (India) Limited	Subsidiary	7.99	15.73
Jhajjar KT Transco Private Limited	Joint Venture	0.87	0.37
Alipurduar Transmission Limited	Subsidiary	6.20	55.44
Shree Shubham Logistics Limited	Subsidiary	0.44	0.01
Kohima Mariani Transmission Limited	Joint Venture	46.39	118.00
3 Advances given			
Shree Shubham Logistics Limited	Subsidiary	-	25.25
Gurukrupa Developers	Enterprises having significant influence	8.72	6.97
Kalpataru Properties Private Limited	Enterprises having significant influence	32.31	-
LLC Kalpataru Power Transmission Ukraine	Subsidiary	2.64	-

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for the year ended March 31, 2020

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW: (Contd..)

Balance with Related Parties (Contd..)

(₹ in Crores)

	Particulars	Relationship	As at 31st March, 2020	As at 31st March, 2019
4	**Security Deposit Given**			-
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	62.87	39.52
	Kalpataru Limited	Enterprises having significant influence	0.64	0.52
5	**Security Deposit Received**			-
	JMC Projects (India) Limited	Subsidiary	0.26	0.26
6	**Advances From Customers**			
	Alipurduar Transmission Limited	Subsidiary	-	6.57
	Kohima-Mariani Transmission Limited	Joint Venture	2.93	55.26
7	**Trade and Other Payable**			
	Kalpataru IBN Omairah Company Limited	Subsidiary	0.01	0.19
	Kalpataru Power Transmission USA Inc.	Subsidiary	4.18	0.06
	Energylink (India) Limited	Subsidiary	0.02	-
	Jhajjar KT Transco Private Limited	Joint Venture	0.03	-
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.06	0.07
	Property Solutions (I) Private Limited	Enterprises having significant influence	0.39	0.26
	Argos Arkaya Power Solutions LLP	Enterprises having significant influence	-	0.03
	Kalpataru Limited	Enterprises having significant influence	0.37	0.01
	Mr. Manish Mohnot	Key Managerial Personnel	6.58	8.50
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	7.72	10.00
	Mr. Parag Munot	Promoter Director	1.28	1.70
8	**Guarantee Commission Receivable**			
	Shree Shubham Logistics Limited	Subsidiary	-	0.24
	Kalpataru Power Transmission Sweden AB	Subsidiary	0.45	-
	JMC Projects (India) Limited	Subsidiary	0.18	-
9	**Guarantee/ Letter of Comforts Outstanding/ Deed of indemnity**			
	Shree Shubham Logistics Limited	Subsidiary	240.00	215.00
	Kalpataru Satpura Transco Private Limited	Subsidiary	-	10.00
	Saicharan Properties Limited	Subsidiary	1.27	1.27
	Punarvasu Financial Services Private Limited	Indirect Subsidiary	-	15.00
	Alipurduar Transmission Limited	Subsidiary	41.00	49.00
	Kalpataru Power Transmission Sweden AB	Subsidiary	136.13	-
	JMC Projects (India) Limited	Subsidiary	125.00	-
	Kalpataru Foundation	Enterprises having significant influence	0.01	-

Note : Transactions with the related parties are at Arm's length prices. The amount outstanding are unsecured and will be settled in cash. Guarantee given on behalf of subsidiaries are disclosed in Note 30. No expenses has been recognised in the current year or previous year for bad or doubtful debts in respect of the amount owed by related parties.

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

43. RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Profit before tax	665.67	624.39
Income tax calculated at 25.17% (Previous Year 34.94%)	167.55	218.19
Differential tax of overseas operation	23.65	7.78
Tax effect of adjustment to reconcile reported income tax expenses		-
Income exempt from taxation	(5.51)	(2.38)
Tax Impact of Permanent allowances / disallowances	15.26	3.39
Tax concessions	(4.70)	(3.88)
Difference of Tax at special rate	(5.84)	-
Impact of Prior period foreign income tax	4.37	-
Impact of opening rate difference	7.84	-
Income tax expenses recognised in the statement of profit and loss	**202.62**	**223.09**

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 recognized tax expenses for the year ended and re-measured its deferred tax assets basis the rate prescribed in the said section.

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Capital Management

The company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

(₹ in Crores)

Gearing ratio	As at 31st March, 2020	As at 31st March, 2019
Debt*	1,335.06	647.78
Cash and cash equivalent	(303.39)	(136.51)
Net debt	**1,031.67**	**511.27**
Total Equity	**3,535.59**	**3,152.16**
Net debt to equity ratio	**0.29**	**0.16**

* Debt is defined as aggregate of long-term borrowings, short-term borrowings and current maturities of long term debt.

Financial Instrument by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. The Company consider that the carrying values of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial assets		
Measured at Fair Value through Profit and Loss		
Investments - (Level-I)	1.27	1.46
Measured at Amortised Cost		
Investments	16.01	14.40
Measured At Cost		
Investments	846.94	632.70

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Financial Instrument by category (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Measured at Amortised Cost		
(i) Trade receivables	3,617.72	3,371.63
(ii) Loans	630.59	438.88
(iii) Cash and cash equivalents	303.39	136.51
(iv) Other balances with Bank	33.69	8.97
(v) Others	80.46	41.22
Financial liabilities		
Measured at Amortised Cost		
(i) Borrowings	1,177.38	607.92
(ii) Trade payables	2,343.12	2,231.39
(iii) Other financial liabilities	453.49	184.31

Financial Risk Management

Financial Risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market Risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/depreciates against these currencies.

The following table analyses foreign currency risk from financial instruments as of March 31, 2020

(₹ in Crores)

Particulars	USD	Euro	Others	Total
Loan	6.13	97.69	3.05	106.87
Cash & Cash Equivalents	0.31	-	1.38	1.69
Trade Receivable	1,470.70	30.90	363.42	1,865.03
Other Financials Assets	0.63	-	3.38	4.01
Total Asset	**1,477.77**	**128.59**	**371.23**	**1,977.59**
Borrowing	261.99	8.67	0.02	270.68
Trade Payable	941.56	31.36	171.05	1,143.97
Other Financials Liabilities	22.71	1.79	0.08	24.58
Total Liabilities	**1,226.26**	**41.82**	**171.15**	**1,439.23**
Net Assets / (Liabilities)	**251.51**	**86.77**	**200.08**	**538.36**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

The following table analyses foreign currency risk from financial instruments as of March 31, 2019

(₹ in Crores)

Particulars	USD	Euro	Others	Total
Loan	-	-	-	-
Cash & Cash Equivalents	5.99	-	39.81	45.79
Trade Receivable	1,148.85	91.82	351.90	1,592.56
Other Financials Assets	0.82	0.01	5.10	5.92
Total Asset	**1,155.65**	**91.82**	**396.80**	**1,644.28**
Borrowing	-	-	-	-
Trade Payable	519.66	15.73	163.81	699.20
Other Financials Liabilities	10.74	2.07	0.47	13.28
Total Liabilities	**530.40**	**17.80**	**164.28**	**712.47**
Net Assets / (Liabilities)	**625.25**	**74.03**	**232.52**	**931.81**

Note : The company is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of unhedged USD and Euro is given below:

Sensitivity Analysis

For the year ended March 31, 2020 and March 31, 2019, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/EURO would impact company's profit before tax by approximately 1.79% and 0.95% respectively.

Sensitivity rate of 5% is used while reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rate.

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts and commodity future contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in price of commodities. The counter party for these contracts is generally a multinational bank, financial institution or exchange. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Mark to Market gain or loss on derivative instruments is part of other current financial assets or liabilities

As at 31st March, 2020

Outstanding Contracts	Average Exchange Rate (In equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing in 3 months to 6 months	76.08	USD 0.23	17.38	(0.23)
Maturing in 6 months to 9 months	72.92	USD 0.82	59.94	(3.89)
Maturing in 9 months to 12 months	77.13	USD 0.97	74.53	(1.17)
Maturing more than 12 months	77.06	USD 3.31	254.79	(10.52)
Total/Average	**76.39**	**USD 5.32**	**406.65**	**(15.81)**
Sell EUR Buy USD				
Maturing less than 3 months	85.41	EUR 0.21	18.24	0.60
Maturing in 3months to 6 months	86.00	EUR 0.26	22.19	0.80
Maturing in 6 months to 9 months	84.64	EUR 0.06	5.04	0.09
Maturing in 9 months to 12 months	86.15	EUR 0.22	19.21	0.60
Total/Average	**85.77**	**EUR 0.75**	**64.68**	**2.08**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

As at 31st March, 2020 (Contd..)

Outstanding Contracts	Average Exchange Rate (In equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)
Buy USD Sell INR				
Maturing less than 3 months	74.86	USD 0.88	65.50	0.76
Maturing in 3 months to 6 months	77.96	USD 0.50	38.98	(0.51)
Total/Average	**75.99**	**USD 1.38**	**104.48**	**0.24**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	72.42	USD 2.18	157.88	(8.25)
Maturing in 3 months to 6 months	73.58	USD 2.05	150.94	(6.81)
Maturing in 6 months to 9 months	72.94	USD 0.58	42.16	(2.66)
Maturing in 9 months to 12 months	75.62	USD 0.93	70.60	(2.50)
More than 12 Months	76.65	USD 0.09	7.18	(0.27)
Total/Average	**73.46**	**USD 5.84**	**428.77**	**(20.50)**
Sell EUR Buy USD				
Maturing less than 3 months	83.30	EUR 0.10	8.45	0.06
Maturing in 3 months to 6 months	83.49	EUR 0.07	5.43	0.03
Total/Average	**83.37**	**EUR 0.17**	**13.87**	**0.09**
Buy USD Sell INR				
Maturing less than 3 months	75.60	USD 0.57	43.37	0.15
Maturing in 3 months to 6 months	74.61	USD 2.80	209.19	6.76
Maturing in 9 months to 12 months	78.04	USD 0.96	75.02	0.31
Total/Average	**75.50**	**USD 4.34**	**327.57**	**7.22**
Buy EUR Sell USD				
More than 12 Months	93.40	EUR 0.84	78.22	0.42
Total/Average	**93.40**	**EUR 0.84**	**78.22**	**0.42**

As at 31st March, 2019

Outstanding Contracts	Average Exchange Rate (In equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	68.47	USD 0.80	54.71	(1.06)
Maturing in 3 months to 6 months	70.03	USD 1.34	93.86	(0.41)
Maturing in 6 months to 9 months	71.57	USD 1.71	122.50	0.97
Maturing in 9 months to 12 months	72.67	USD 1.77	128.43	1.90
Maturing more than 12 months	72.18	USD 2.30	166.01	(1.85)
Total/Average	**71.42**	**USD 7.92**	**565.51**	**(0.45)**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

As at 31st March, 2019 (Contd..)

Outstanding Contracts	Average Exchange Rate (In equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)
Sell EUR Buy USD				
Maturing less than 3 months	81.40	EUR 0.37	29.87	1.21
Maturing in 3 months to 6 months	83.28	EUR 0.27	22.07	1.22
Maturing in 6 months to 9 months	83.87	EUR 0.21	17.70	0.96
Maturing in 9 months to 12 months	83.75	EUR 0.16	13.06	0.61
Total/Average	**82.79**	**EUR 1.01**	**82.70**	**4.00**
Buy USD Sell INR				
Maturing less than 3 months	68.87	USD 0.41	28.24	0.18
Maturing in 3 months to 6 months	70.31	USD 0.21	14.61	0.01
Total/Average	**69.35**	**USD 0.62**	**42.85**	**0.20**
Buy EUR Sell USD				
Maturing less than 3 months	77.94	EUR 0.01	0.82	(0.00)
Maturing in 3 months to 6 months	80.16	EUR 0.04	3.56	(0.03)
Maturing in 9 months to 12 months	80.50	EUR 0.05	4.04	(0.04)
Total/Average	**80.13**	**EUR 0.11**	**8.42**	**(0.07)**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	70.85	USD 1.50	106.43	1.77
Maturing in 3 months to 6 months	72.30	USD 1.44	104.31	2.77
Maturing in 6 months to 9 months	69.38	USD 0.23	15.85	(0.32)
Maturing in 9 months to 12 months	68.95	USD 0.53	36.73	(1.35)
More than 12 Months	72.57	USD 1.10	79.83	0.04
Total/Average	**71.40**	**USD 4.81**	**343.15**	**2.91**
Sell EUR Buy USD				
Maturing less than 3 months	80.29	EUR 0.32	25.85	0.70
Maturing in 3 months to 6 months	80.81	EUR 0.43	34.61	0.91
Maturing in 6 months to 9 months	79.63	EUR 0.37	29.70	0.10
Total/Average	**80.26**	**EUR 1.12**	**90.16**	**1.72**
Buy USD Sell INR				
Maturing less than 3 months	69.03	USD 0.16	11.15	0.04
Maturing in 3 months to 6 months	75.27	USD 1.85	139.56	(8.73)
Maturing in 6 months to 9 months	71.71	USD 0.62	44.75	0.04
Total/Average	**74.05**	**USD 2.64**	**195.46**	**(8.65)**
Buy EUR Sell USD				
Maturing in 3 months to 6 months	78.67	EUR 0.06	4.66	(0.05)
Maturing in 6 months to 9 months	80.16	EUR 0.01	0.48	(0.01)
Total/Average	**78.76**	**EUR 0.07**	**5.14**	**(0.05)**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Reconciliation of Hedge Reserve

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2020 and March 31, 2019:

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	13.12	(5.94)
Gain/(Loss) recognised in OCI during the year (net)	(43.41)	19.06
Tax impact on above	(7.79)	4.61
Balance at the end of the year (Gross)	(30.29)	13.12
Balance at the end of the year (Net of Tax)	(22.50)	8.51

Loan and Borrowings: Financial Covenants

The company is required to comply with the few financial covenants as per terms of respective sanctions. In case of breach of financial covenants, there can be adverse impact.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investment securities and other receivables. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Credit risk in respect of other receivables mainly comprises of loan to components which are managed by the Company, by way of assessing financial condition, current economic trends and ageing of other receivables. The Company considers the probability of default and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on financial assets as on the reporting date.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in Crores)

Particulars	Carrying amount as on	
	March 31, 2020	March 31, 2019
Not Due	3,393.62	3,033.10
Past due up to 1 years	78.71	62.01
From 1 year to 2 years	59.11	158.68
From 2 year to 3 years	30.93	36.26
Above 3 years	93.49	138.23
	3,655.86	**3,428.28**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Expected credit loss assessment for customers

Most of customers are PSU and as per past experience, there has been no credit loss on account of customer's inability to pay i.e. there has been no material bad debts in past and therefore, no provision is generally made on this account. Provision for expected delay in realisation of trade receivables beyond contractual terms. The company has used a practical expedient by computing the expected credit loss allowance for trade receivables on a provision matrix. The expected credit loss on the aging of the days the receivables are due and the rates as given in the provision matrix.

On the above basis, the company estimates the following provision matrix at the reporting date:

(₹ in Crores)

Particulars	Expected Credit Loss %	
	March 31, 2020	March 31, 2019
From 181 days to 1 year	6.24%	6.24%
From 1 year to 2 years	12.04%	12.04%
From 2 year to 3 years	19.31%	19.31%
Above 3 years	25.97%	25.97%

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in Crores)

Particulars	2019-20 Trade receivable	2019-20 Contract Assets
Balance as at March 31, 2019	**56.65**	**4.71**
Impairment loss/(income) recognised (net)	(18.51)	(3.69)
Balance as at March 31, 2020	**38.14**	**1.02**

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

In addition, company is also exposed to credit risk in relation to corporate guarantee/letter of comfort (LOC) given to banks by the company. The company's exposure in this respect has been disclosed in Note 30.

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant financial liabilities.

(₹ in Crores)

Particulars	As at 31st March, 2020		
	Less than 1 year	More than 1 year	Total
Financial Liabilities			
(i) Trade Payable	2,136.23	206.89	2,343.12
(ii) Borrowings	1,035.01	299.29	1,334.30
(iii) Other financial liabilities	261.67	34.90	296.57
Total			**3,974.75**

(₹ in Crores)

Particulars	As at 31st March, 2019		
	Less than 1 year	More than 1 year	Total
Financial Liabilities			
(i) Trade Payable	171.54	2,059.85	2,231.39
(ii) Borrowings	192.44	455.35	647.78
(iii) Other financial liabilities	132.33	13.24	145.57
Total			**3,024.74**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

The above table does not include liability on account of future interest obligation.

The company had undrawn borrowing facilities from banks amounting to ₹ 158.15 Crores (Previous year ₹ 621.30 Crores), which may be drawn at any time.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest Rate Sensitivity Analysis

For the year ended March 31, 2020 and March 31, 2019, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact company's profit before tax by approximately 1.40 % and 0.40 % respectively.

Commodity Price Risk

The Company is affected by the price volatility of certain commodities like Steel, Zinc and Aluminium. Its operating activities require the on-going purchase or continuous supply of these materials. The Company holds derivative financial instruments such as commodity future contract to mitigate the risk of changes in Zinc and Aluminium prices.

The sensitivity analysis have been determined based on the exposure to changes in commodity prices. The analysis is prepared assuming the quantity of exposure outstanding at the end of the reporting period was outstanding for the whole year. A 5% increase or decrease is used when reporting commodity price risk internally to key management personnel and represents management's assessment of the reasonable possible changes in commodity prices and the impact of the possible change on the company's profit before tax is 1.92% for FY 2019-20 and 2.56% for FY 2018-19.

(₹ in Crores)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			Increase	Decrease
Exposure as on 31st March 2020				
Aluminium	Fixed Price Contracts	1.05	0.05	(0.05)
Zinc	Fixed Price Contracts	12.57	0.63	(0.63)
Steel	Fixed Price Contracts	241.89	12.09	(12.09)
Total		**255.52**	**12.78**	**(12.78)**

(₹ in Crores)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			Increase	Decrease
Exposure as on 31st March 2019				
Aluminium	Fixed Price Contracts	21.12	1.06	(1.06)
Zinc	Fixed Price Contracts	6.43	0.32	(0.32)
Steel	Fixed Price Contracts	292.45	14.62	(14.62)
Total		**320.01**	**16.00**	**(16.00)**

45. The details of the due amount which are expected by Company to be recovered or settled after twelve months in respect of assets and liabilities in relating to long term contracts which are classified as under:

(₹ in Crores)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
Trade Receivable	7	76.29	66.14

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

46. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE COMPANY AGAINST BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Property, Plant and Equipments	468.97	422.36
Inventories	727.30	611.36
Financial Assets		
Receivables	3,617.72	3,371.63
Loans	630.55	438.88
Cash & cash equivalents	303.37	135.87
Other Balances with Banks	33.44	8.98
Total	**5,781.35**	**4,989.07**

47. The amount outstanding to Micro, Small and Medium Enterprises is based on the information received and available with the company.

(₹ in Crores)

Particulars	2019-20	2018-19
a) Principal amount and interest due thereon remaining unpaid to supplier as at the end of accounting year	68.60	-
b) 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	-	-
c) 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.	-	-
d) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	0.02	-
e) 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.	-	-

48. The company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure comprising of power transmission & distribution, railway track laying & electrification, oil & gas pipelines laying, etc. Information reported to and evaluated regularly by the chief operating decision maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of Operating Segment as defined under the Indian Accounting Standard 108 'Segment Information', there is no separate reportable segment.

Further, The company operates in Geographical Segment- India (Country of Domicile) and Outside India.

Segment Information

(a) Revenue from Operations

(₹ in Crores)

Particulars	2019-20	2018-19
Within India	5,090.21	4,384.42
Outside India	2,813.82	2,730.69
Total	**7,904.03**	**7,115.11**

Notes forming part of the Standalone Financial Statement

for the year ended March 31, 2020

48. (Contd..)

(b) Non Current Assets *

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within India	604.14	530.97
Outside India	108.99	78.89
Total	**713.12**	**609.85**

*Excludes Intangible, Financial Assets and Deferred tax Asset.

48.1 Revenue from major customers - Public sector undertakings in India, is ₹ 3,501 Crores (Previous year ₹ 2,690.76 Crores). Revenue from other individual customer is less than 10% of total revenue.

49 Exceptional items includes Gain on sale of investment in KSTPL of ₹ 30.79 Crores and impairment of investment in Two of the subsidiary company of ₹ 6.85 Crores.

50 Performance obligations unsatisfied or partially satisfied amounts to ₹ 10,470 crores (Previous Year ₹ 14,068 Crores)as at March 31, 2020 for which revenue is expected to be recognized in future over the period of 1 to 4 years

51 Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

52 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered internal and certain external sources of information including economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of trade receivables including unbilled receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 20, 2020

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 20, 2020

Consolidated Financial Statements

Independent Auditors' Report

To the Members of
Kalpataru Power Transmission Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kalpataru Power Transmission Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and joint operation, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, joint ventures and joint operation as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, joint ventures and joint operation as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* Section of our report. We are independent of the Group, its joint ventures and joint operation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional 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.

Sr. No.	The key audit matter	How the matter was addressed in our audit
1.	**Recognition of contract revenue, margin and related receivables:** The Group enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods. Ind AS 115, Revenue from Contracts with Customers, requires an entity to select a single measurement method for the relevant performance obligation which depicts the entity's performance in transferring goods or services. In case of onerous contract, present obligations are recognized and measured as provisions.	Our procedures included the following: • Assessed compliance of the Group policies in respect of revenue recognition with the applicable accounting standards. • We selected a sample of contracts to test, using a risk-based criteria which included individual contracts with: - significant revenue recognised during the year; - significant unbilled work in progress (WIP) balances held at the year end; or - low profit margins.

Independent Auditors' Report (Contd..)

<table>
<tr><th>Sr. No.</th><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td></td><td>The Group is recognizing contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard. It relies on management's estimates of the final outcome of each contract, and involves management judgement, particularly in forecasting the cost to complete a contract, valuing contract variations, claims and liquidated damages.

We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete the contract is inherently subjective, complex and require significant management judgement. The same may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations etc., and could result in significant variance in the revenue and profit or loss from contract for the reporting period.

Refer note 24 to the Consolidated Financial Statements.</td><td>• Obtained an understanding of management's process for analyzing long term contracts, the risk associated with the contract and any key judgements.

• Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry, observations, re-performance and inspection of evidence.

• Verified underlying documents such as contract, and its amendments, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and / or any change in such estimation.

• Evaluating retrospective results for contracts completed during the current year. Comparing the final outcome of the contracts with previous estimates made for these contracts to assess the reliability of management forecasting process.

• Evaluated the status of trade receivables on sample basis which are past due as at year end, the Group's on-going business relationship with customer and past payment history of the customers through inquiry with management.

• Considered the adequacy of the disclosures in note 24 to the Consolidated financial statements.</td></tr>
<tr><td>2.</td><td>Income from toll collection

The Group is also into a business of toll collection under service concession agreement, which is complex in nature and span over a number of reporting period. The right to collect toll is based on the number of vehicles passed from the toll assets. The process of identifying the usage charges is system driven based on the type / class of vehicles, distance etc. These are charged / billed by using complex IT software and hardware.

This is a key audit matter considering the nature and volume of transaction; and reliance on information technology systems for the related automated and IT dependent controls.

Refer note 24 to the Consolidated Financial Statements.</td><td>In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence:

• Understand the process and control placed for toll collection. Tested the key controls around such processes for the operating effectiveness.

• Tested Information Technology General Controls (ITGCs) which assisted the integrity of the tolling system operation, including access, operations and change management controls.

• Verified the reconciliation of toll collection as per transaction report (generated from toll system) with cash deposited in the designated bank account and revenue was as per the financial statements. Further, on sample basis verified the previous images and examined that the charges which were based on vehicle classification.

• Verified the exemptions and other dispensations allowed, as well as analysis of data for unusual transactions and examined the same.

• Performed the cut off procedures in relation to revenue to ensure the completeness of revenue.</td></tr>
</table>

Independent Auditors' Report (Contd..)

Sr. No.	The key audit matter	How the matter was addressed in our audit
3.	**Impairment Testing for Intangible Assets - Toll Collection Rights** The Group has toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain if there is any impairment. The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll growth rates etc. The determination of the recoverable amount of the toll collection right involves significant judgement due to inherent uncertainty in the assumptions supporting the recoverable amount of these rights. Accordingly, the evaluation of impairment of toll collection rights has been determined a key audit matter. Refer note 5(ii) to the Consolidated Financial Statements.	In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area which were applied, among others to obtain sufficient appropriate audit evidence: • Evaluating design and implementation and testing operating effectiveness of key internal controls placed around the impairment assessment process of Intangible Assets. • Verified the accuracy of the valuation methodology used in determining the recoverable amount. Further, evaluated the objectivity, independence and competence of specialists involved; • Verified the assumptions used for the major components of the cash flow forecasts, discount rates, cost of capital, etc.; • Assessed the key assumptions of independent valuation obtained by the Company on toll collection rights. • Evaluated the suitability of inputs and assumptions used in cash flow forecasts by comparing the potential changes to previous year or actual performance; • Performed sensitivity analysis of key assumptions used in valuation; and • Checked the arithmetical accuracy of the valuation model.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures and joint operation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint ventures and joint operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and

Independent Auditors' Report (Contd..)

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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the Companies included in the Group and of its joint ventures and joint operation are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate the Company or to cease operations and its joint ventures and joint operation or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, its joint ventures and joint operation is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, joint ventures and joint operation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures and joint operation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are independent auditors. For other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the Section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Independent Auditors' Report (Contd..)

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 19 subsidiaries, whose financial statements reflect total assets of Rs. 3,784.42 crores as at 31 March 2020, total revenues of Rs. 918.92 crores, total loss of Rs. 107.15 crores and net cash inflows amounting to Rs. 129.67 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 23.38 crores for the year ended 31 March 2020, in respect of three joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the audit reports of the other auditors.

(b) We did not audit the financial statements of 2 branches, 6 unincorporated joint venture and one joint operation included in the consolidated financial statements of the Company whose financial statements reflect total assets of Rs 877.95 crores as at 31 March 2020, total revenue of Rs 887.83 crores, total net profit after tax of Rs. 19.94 crores and Group's share of net cash outflow of Rs 25.50 crores for the year ended on that date, as considered in the consolidated financial statements. The financial statements and other financial information have been audited by the other auditors whose report have been furnished to us, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure in respect of these branches, unincorporated joint ventures and joint operation and our report terms of Sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches, joint ventures and joint operation is based solely on the audit reports of the other auditors.

(c) The Consolidated annual financial results includes the unaudited financial statements of one subsidiary whose financial statements reflect total assets of Nil as at 31 March 2020 and total revenue of Rs. 17.32 crores, total net profit after tax of Rs. 4.07 crores and net cash outflow of Rs. 2.90 crores for the year then ended, as considered in the consolidated annual financial statements. These unaudited financial statements have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such annual financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Certain of these subsidiaries and branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and branches outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors

Independent Auditors' Report (Contd..)

on separate financial statements of such subsidiaries, joint ventures and joint operation as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, joint ventures and joint operation, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group, joint ventures and joint operation. Refer Note 35 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 38 and Note 33 to the consolidated financial statements in respect of such items as it relates to the Group, its joint ventures and joint operation.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint ventures incorporated in India during the year ended 31 March 2020.

iv. The disclosure in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAABJ6729

Mumbai
20 May 2020

Annexure A to the Independent Auditors' report

on the consolidated financial statements of Kalpataru Power Transmission Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A. (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Kalpataru Power Transmission Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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;

Annexure A to the Independent Auditors' report (Contd..)

on the consolidated financial statements of Kalpataru Power Transmission Limited for the year ended 31 March 2020

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements in so far as it relates to ten subsidiary companies, three joint venture companies and six unincorporated joint ventures, which are companies incorporated in India and two overseas branches, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAABJ6729

Mumbai
20 May 2020

Consolidated Statement of Balance Sheet

as at 31st March, 2020

(₹ in Crores)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	5(i)	1,571.09	1,476.45
(b) Capital Work in Progress		50.06	10.91
(c) Right of Use Assets	46	100.15	-
(d) Investment Property		0.82	0.82
(e) Goodwill	49	105.88	20.15
(f) Other Intangible Assets	5(ii)	1,666.52	1,643.30
(g) Intangible Assets Under Development		4.20	4.89
(h) Financial Assets			
(i) Investments	6	1.36	1.46
(ii) Trade Receivables	7(i)	186.70	123.74
(iii) Loans	8(i)	76.53	48.14
(iv) Others	9(i)	36.55	36.59
(i) Deferred Tax Assets (net)	10	118.63	140.27
(j) Non-Current Tax Assets (net)	15(i)	7.13	9.80
(k) Other Non-Current Assets	11(i)	55.34	25.86
		3,980.96	**3,542.38**
Current Assets			
(a) Inventories	12	1,208.55	1,116.50
(b) Financial Assets			
(i) Trade Receivables	7(ii)	4,616.01	4,213.58
(ii) Cash and Cash Equivalents	13	499.48	227.53
(iii) Bank Balances other than (ii) above	14	46.62	17.17
(iv) Loans	8(ii)	300.67	258.44
(v) Others	9(ii)	119.14	61.40
(c) Current Tax Assets (net)	15(ii)	66.02	35.75
(d) Other Current Assets	11(ii)	3,636.18	3,271.94
		10,492.67	**9,202.31**
Assets classified as held for sale	6.1	1,305.52	1,403.36
TOTAL ASSETS		**15,779.15**	**14,148.05**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	30.94	30.69
(b) Other Equity	17	3,327.48	3,088.78
Equity Attributable to Owners of the Company		**3,358.42**	**3,119.47**
(c) Non-Controlling Interests	18	136.75	160.71
		3,495.17	**3,280.18**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19(i)	1,797.07	1,918.20
(ii) Trade Payable	20(i)		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		349.80	312.81
(iii) Other Financial Liabilities	21(i)	486.36	371.17
(b) Provisions	22(i)	128.37	120.06
(c) Deferred Tax Liabilities (net)	10	38.21	13.26
(d) Other Non-Current Liabilities	23(i)	345.41	492.11
		3,145.22	**3,227.61**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19(ii)	1,131.71	443.42
(ii) Trade Payables	20(ii)		
(a) total outstanding dues of micro enterprises and small enterprises		102.00	43.95
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,343.17	3,201.16
(iii) Other Financial Liabilities	21(ii)	923.30	628.22
(b) Other Current Liabilities	23(ii)	2,406.68	1,991.13
(c) Provisions	22(ii)	423.18	369.03
(d) Current Tax Liabilities (net)	15(iii)	2.96	16.50
		8,333.00	**6,693.41**
Liabilities directly associated with assets held for sale		805.76	946.85
TOTAL EQUITY AND LIABILITIES		**15,779.15**	**14,148.05**
Significant Accounting Policies and Notes forming part of the consolidated Financial Statements	1 to 55		

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 20th May, 2020

Rajeev Kumar
Company Secretary

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : 20th May, 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2020

(₹ in Crores)

Particulars	Note	2019-20	2018-19
Revenue from Operations	24	12,675.84	10,840.48
Other Income	25	44.04	44.13
TOTAL INCOME		**12,719.88**	**10,884.61**
EXPENSES			
Cost of Materials Consumed	26	5,329.84	4,470.43
Changes in Inventories of Finished goods and Work in Progress	27	(62.15)	4.61
Erection, Sub-Contracting and other Project Expenses	43	3,978.06	3,406.82
Employee Benefits Expense	28	996.54	784.77
Finance Costs	29	520.89	401.04
Depreciation and Amortisation Expenses	5	339.64	210.94
Expected credit loss provision for loans and advances given to JV		79.47	-
Other Expenses	30	870.58	826.64
TOTAL EXPENSES		**12,052.87**	**10,105.25**
Profit Before share of profit / (loss) of Joint venture and Exceptional Item		**667.01**	**779.36**
Share of Profit/ (Loss) from Joint Venture		(23.38)	(18.10)
Profit Before Exceptional Item and tax		**643.63**	**761.26**
Exceptional items - Gain / (loss) (Refer note 54)		4.06	-
Profit Before Tax		**647.69**	**761.26**
Tax Expense			
Current Tax		226.14	277.79
Deferred Tax		31.96	(3.62)
Profit for the year		**389.59**	**487.09**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Loss on Defined Plan Liability		(2.16)	2.09
Income tax on Actuarial Gain / (Loss)		0.65	(0.75)
		(1.51)	**1.34**
Items that will be reclassified subsequently to Profit or Loss			
Exchange difference in translating foreign operations		(8.66)	16.94
Gain/(Loss) on hedging instruments		(43.41)	19.06
Income tax on above items		14.35	(11.48)
		(37.72)	**24.52**
Total Other Comprehensive Income		(39.23)	25.86
Total Comprehensive Income for the year		**350.36**	**512.95**
Profit for the year attributable to			
Owners of the Company		389.59	466.75
Non-controlling interests		-	20.34
Profit for the Year		**389.59**	**487.09**
Total Other Comprehensive Income attributable to			
Owners of the Company		(34.03)	23.78
Non-controlling interests		(5.20)	2.08
Total Other Comprehensive Income for the Year		**(39.23)**	**25.86**
Total Comprehensive Income for the year attributable to			
Owners of the Company		355.56	490.53
Non-controlling interests		(5.20)	22.42
Total Comprehensive Income for the year		**350.36**	**512.95**
Earnings per Share (EPS) of ₹ 2 each			
Basic and Diluted (₹)	39	25.25	30.42
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1 to 55		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 20th May, 2020

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : 20th May, 2020

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2020

A : Equity Share Capital

(₹ in Crores)

Particulars	Balance as at 31st March, 2020	Balance as at 31st March, 2019
At the beginning of the year	30.69	30.69
Shares issued during the year	0.25	-
At the end of the year	**30.94**	**30.69**

B : Other Equity

(₹ in Crores)

Particulars	Reserves & Surplus						Other Comprehensive Income / (Loss)			Total Attributable to Owners of the Company	Non-Controlling Interest	Total other Equity
	Debenture Redemption Reserve	Securities Premium	General Reserve	Statutory Reserve	Reserve Fund as per Section 45IC of RBI Act, 1934	Retained Earnings	Effective portion of Cash Flow Hedges	Exchange differences of foreign operation	Actuarial Loss on Defined Plan Liability			
Balance as at 1st April, 2018	**102.18**	**805.06**	**370.14**	**0.26**	**0.34**	**1,378.86**	**(3.89)**	**(8.54)**	**(1.69)**	**2,642.73**	**146.39**	**2,789.12**
Profit for the year 2018-19	-	-	-	-	-	466.75	-	-	-	466.75	20.34	487.09
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	12.40	10.05	1.34	23.78	2.08	25.86
Dividends paid including tax thereon	-	-	-	-	-	(46.94)	-	-	-	(46.94)	(3.31)	(50.25)
Transfer to General Reserve / Reserve Fund from Retained Earnings	-	-	12.25	-	0.20	(12.45)	-	-	-	-	-	-
Transfer to Debenture Redemption Reserve from retained earnings	36.86	-	-	-	-	(36.86)	-	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(25.00)	-	25.00	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	(1.64)	-	-	-	(1.64)	(4.79)	(6.43)
Impact of Ind AS 115 (net of taxes)	-	-	-	-	-	5.24	-	-	-	5.24	-	5.24
Premium on issue of equity shares net of shares issue expenses	-	(1.14)	-	-	-	-	-	-	-	(1.14)	-	(1.14)
Balance as at 31st March, 2019	**114.04**	**803.92**	**407.39**	**0.26**	**0.54**	**1,752.96**	**8.51**	**1.51**	**(0.35)**	**3,088.78**	**160.71**	**3,249.49**
Profit for the year 2019-20	-	-	-	-	-	389.59	-	-	-	389.59	-	389.59
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	(31.01)	(2.05)	(0.97)	(34.03)	(5.20)	(39.23)
Dividends paid including tax thereon	-	-	-	-	-	(120.78)	-	-	-	(120.78)	(7.52)	(128.30)
Transfer to General Reserve / Reserve Fund from Retained Earnings	-	-	12.25	-	0.22	(12.47)	-	-	-	-	-	-
Transfer to Debenture Redemption Reserve from retained earnings	5.47	-	-	-	-	(5.47)	-	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(11.63)	-	11.63	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	(58.12)	-	-	-	(58.12)	(11.24)	(69.36)
Impact of Ind AS 116 (net of taxes)	-	-	-	-	-	(2.36)	-	-	-	(2.36)	-	(2.36)
Premium on issue of equity shares net of shares issue expenses	-	64.40	-	-	-	-	-	-	-	64.40	-	64.40
Balance as at 31st March, 2020	**107.88**	**868.32**	**431.27**	**0.26**	**0.76**	**1,943.35**	**(22.50)**	**(0.54)**	**(1.32)**	**3,327.48**	**136.75**	**3,464.23**

(i) Securities Premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Debenture Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

(iii) The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an items of other comprehensive income. This can be utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Statutory Reserve is created as required under article 176 of the regulations for Companies in Saudi Arabia. This reserve is not available for dividend distribution.

Also refer Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 20th May, 2020

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : 20th May, 2020

Consolidated Statement of Cash Flow

for the year ended 31st March, 2020

(₹ in Crores)

Particulars	2019-20	2018-19
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	**389.59**	**487.09**
Adjustments for :		
Tax Expenses	258.10	274.17
Share of (Profit)/ Loss of Joint Venture	23.38	18.10
Depreciation and Amortization Expenses	339.64	210.94
Finance Costs	520.89	401.04
Impairment loss on property plant and equipments	6.89	-
Profit on sale of subsidiary	(12.30)	-
Dividend Income	(0.07)	(0.08)
Interest Income	(36.22)	(36.63)
(Profit) / Loss on sale of Property, Plant and Equipment (net)	(0.56)	3.38
Bad Debt written off	7.68	1.80
Liabilities Written Back	(1.51)	(0.79)
Allowance for Expected Credit Loss	76.89	25.77
Impairment loss on asset held for sale	0.27	0.30
Unrealised Foreign Exchange Gain (net)	(95.14)	(11.98)
Net Loss arising on financial assets	0.19	2.27
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1,477.72**	**1,375.38**
Adjustments for:		
Trade and other Receivables	(695.49)	(1,107.24)
Inventories	(95.31)	(122.82)
Trade, other payables and provisions	512.19	1,181.78
CASH GENERATED FROM OPERATIONS	1,199.11	1,327.10
Income Tax Paid	(261.87)	(291.81)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**937.24**	**1,035.29**
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)	(469.77)	(711.96)
Proceeds from disposal of Property, Plant and Equipment	6.03	6.60
Proceeds from sale of subsidiary	87.33	-
Loans given to Joint Ventures	(39.47)	(52.51)
Loans given to others	(56.51)	-
Investment in Joint Venture	(112.20)	(77.68)
Investment in other entities	(0.09)	-
Interest Received	34.54	34.51
Dividend Received	0.07	0.08
Payment for acquisition of subsidiary	(136.36)	-
Deposits with Banks	(57.47)	(28.24)
Consideration paid to Minority Shareholders on acquisition	(3.42)	(6.43)
CASH GENERATED / (USED IN) INVESTING ACTIVITIES	**(747.32)**	**(835.63)**

Consolidated Statement of Cash Flow

for the year ended 31st March, 2020

(₹ in Crores)

Particulars	2019-20	2018-19
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share Issue Expenses	-	(1.13)
Proceeds from Current/Non Current Borrowings	406.99	558.93
Proceeds from Issue of Non Convertible Debentures	100.00	250.00
Redemption of Non Convertible Debentures	-	(100.00)
Repayment of Current/Non Current Borrowings	(490.34)	(303.85)
Net increase / (decrease) in short-term borrowings	688.29	(172.90)
Payment of lease liability	(32.20)	-
Finance Cost Paid	(504.15)	(399.73)
Dividend Paid including tax thereon	(120.78)	(46.93)
Dividend payment to Minority Shareholders	(7.52)	(3.31)
CASH GENERATED / (USED IN) FINANCING ACTIVITIES	**40.29**	**(218.92)**
D. Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	(0.37)	0.41
E. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**229.84**	**(18.85)**
F. Cash and Cash Equivalents acquired in business combination	**36.77**	**-**
G. Reduction in cash and cash equivalents on loss of control of subsidiary	**(1.84)**	**-**
H. Opening Cash and Cash Equivalents	**244.01**	**262.86**
I. Closing Cash and Cash Equivalents (E+F+G+H)	**508.78**	**244.01**

NOTES :

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Cash and Cash Equivalents at the end of the year comprises:		
(a) Cash on hand	2.51	3.39
(b) Cheques on hand	-	36.67
(c) Balance with Banks		
(i) In current accounts	489.61	182.15
(ii) In fixed deposit accounts	16.66	21.80
Cash and Cash Equivalents as per statement of cash flows*	**508.78**	**244.01**

*Cash and Cash Equivalent includes ₹ 9.30 Crores (previous year ₹ 16.48 Crores) pertaining to assets held for sale.

(ii) Reconciliation of liabilities arising from financing activities:

(₹ in Crores)

Particulars	As at 31st March, 2019	Liabilities directly associated with assets held for sale	Cash Flow	Non-Cash Changes	As at 31st March, 2020
Borrowings	2,609.68	(18.49)	704.94	0.02	3,296.15

(iii) The statement of cash flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Statement of Cash Flows.

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 20th May, 2020

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : 20th May, 2020

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

1. Corporate Information

Kalpataru Power Transmission Limited (referred to as "The Company") is a global EPC player with diversified interest in power transmission and distribution, civil construction, railway track laying and electrification, oil & gas pipelines laying etc.

The Company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector - 28, Gandhinagar 382028, Gujarat, India.

The Company together with its subsidiaries is herein after referred to as the 'Group'.

2. (a) Basis of preparation of Financial Statement

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been presented in India rupees (INR) which is also the functional currency of the Company. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 20th May, 2020.

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Principles of Consolidation

The consolidated financial statements relate to the Kalpataru Power Transmission Limited ("The Company"), its Subsidiary Companies and Joint Venture Entities. The consolidated financial statements have been prepared on the following basis;

(i) The financial statement of the Subsidiary Companies and Jointly Venture Entities used in the consolidation are drawn up to the same reporting date as of the parent.

(ii) The financial statements of the Company and its subsidiaries have been combined on line-by-line basis by adding together, the book value of like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and unrealized profits or losses, unless cost cannot be recovered.

(iii) The excess of cost to the Company of its investments in subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognized as "Goodwill" being an asset in the consolidated financial statements and is tested for impairment on annual basis.

(iv) Non-controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiary companies were made and further movement in their share in the equity, subsequent to the dates of investments. Net profit / loss and other comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests.

(v) Interest in Joint Venture Entities are incorporated in these consolidated financial statements using the equity method of accounting. Under equity method of accounting, an investment in joint venture is

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

initially recognised at cost and adjusted thereafter to recognise the group's share of profit or loss and other comprehensive income of the joint venture.

3. Use of Estimates

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Useful lives of Property, Plant and Equipment

The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation expense for current and future periods. Policy for the same has been explained under Note 4(Q).

Impairment of Investments

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 4(G).

4. Significant Accounting Policies

A. Revenue Recognition

(i) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, time value of money and price variations/escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating various factors.

(ii) Revenue from other contracts

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services are recognized when services are rendered.

(iii) Service concession arrangement

Concession arrangements are recognized in accordance with Appendix C of Ind AS 115, Service Concession Arrangements. It is applicable to concession arrangements comprising a public service obligation and satisfying all of the following criteria:

- the concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and prices applied;
- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement. As per Ind AS 115, such infrastructures are not recognized in assets of the operator as property, plant and equipment but in financial assets ("financial asset model") and/or intangible assets ("intangible asset model") depending on the remuneration commitments given by the grantor.

Construction or upgrade services provided under a service concession arrangement, recognised based

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Consideration under service concession arrangements is accounted on accrual basis in accordance with appendix C of Ind AS 115. Operation and maintenance revenue is recognised in the period in which the services are provided by the Group.

(iv) Warehousing

Revenues from warehousing facilities are recognized when services are rendered, which coincides with agreement entered with customers and other entities.

(v) Real Estate Development

The Group has evaluated the timing of revenue recognition on sale of completed units based on the rights and obligations given in the terms of contracts. The Group generally concluded that contracts relating to the completed units are recognised at a point in time when control transfers. For unconditional exchanges, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

With respect to the services provided to the lessees including Common Area Maintenance (CAM) services (Such as housekeeping, security services, etc) as part of the lease agreements entered by the Group, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Therefore, the Group concluded that the services to lessees represent a series of daily services that are individually satisfied over time, using a time elapsed measure of progress, because lessees simultaneously receive and consume the benefits provided by the Group.

The sale of completed units constitutes a single performance obligation and it is satisfied at the point in time when control transfers, which generally occurs when legal title transfers to the customer.

(vi) Operation and maintenance Income

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e. input method on a straight line basis.

(vii) Others

Revenue from Bio Mass division is recognized on supply of electricity generated to the customer.

Dividend are recognized when right to receive payment is established. Interest income is recognized on time proportion basis.

Export benefits are accounted as revenue on accrual basis as and when export of goods take place.

B. Onerous contract

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

C. Business Combinations

Business combinations are accounted using the acquisition method under the provisions of Ind AS 103 'Business Combinations'. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair value of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Acquisition related cost are recognised in the statement of profit or loss as incurred.

Business combinations arising from the transfer of interest in entities under common control are accounted at historical cost. The difference between the consideration given and the aggregate historical carrying amount of assets and liabilities of the acquired entity is recorded in shareholder's equity.

D. Operating cycle

(i) In case of long-term contracts executed by Holding Company, Operating Cycle covers the duration of the specific project/contract including the defect liability period, wherever applicable and extend up to the realization of receivables (including retention monies) within the agreed credit period.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

(ii) Assets and Liabilities other than those relating to long-term contracts executed by Holding Company are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

E. Lease

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

F. Foreign Currency

Transactions in foreign currencies are recognised at rate of exchange prevailing for the month on the dates of the transactions.

Foreign currency monetary assets and liabilities, remaining unsettled at reporting date are translated at the exchange rate prevailing at the end of the year and differences are recognised in statement of Profit and Loss.

The results and financial position of foreign operations and foreign subsidiaries that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of reporting
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference for the period are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in the statement of changes in equity.

G. Income taxes

Income tax expense comprises current tax and deferred tax. Current and Deferred Tax are recognised in Profit or Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed for each taxable entity in accordance with the tax rules applicable in respective tax jurisdictions.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of Assets and Liabilities in

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

H. Inventories

Raw materials, Fuel, Semi Finished Goods, Finished Goods, scraps, construction work in progress, construction materials and other stores and spares, tools are stated at lower of cost and net realizable value. The cost of inventories is computed on weighted average basis. Manufacturing overheads absorbed on the basis of normal capacity of production.

I. Employee Benefits

a) Defined benefit plan

Gratuity liability is provided under a defined benefit plan and covered by payment thereof to gratuity fund under Group Gratuity Cash Accumulation Scheme of IRDA approved insurer under an irrevocable trust. The Group's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income.

b) Defined contribution plan

Contribution to Provident Fund, a defined contribution plan is charged to the Statement of Profit and Loss.

c) Compensated absence

Provision for compensated absences is made on actuarial valuation as at the Balance Sheet date.

d) Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

J. Non-current assets held for sale

Assets and Liabilities related to disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The determination of fair value net of cost to sell includes use of management estimates and assumptions.

Assets and Liabilities (disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

K. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

Interest Income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

L. Provisions and Contingent Asset /Liabilities

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

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

M. Government Grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

N. Joint Operations

A joint operation is a Jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Company as a joint operator recognises for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets.

Transactions with the Joint operation by the Group are recognized in the financial statements only to the extent of other parties' interests in the joint operation.

O. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Initial recognition and measurement

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial asset at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the statement of profit and loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or

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for the year ended 31st March, 2020

when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Contracts

The Group enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

P. Property, Plant and Equipment & Intangible Assets

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to fixed assets till assets are put to use, are capitalized.

Q. Depreciation and Amortisation

Depreciation is provided on all depreciable property, plant and equipment over the useful life prescribed under schedule II to the Companies Act, 2013 except that:

a) Depreciation on plant and machinery of bio-mass energy plants is provided considering the useful life

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

of plant as 20 years, as specified in Central Electricity Regulatory Commission and Rajasthan Electricity Regulatory Commission.

b) Depreciation on assets of overseas projects is provided at the rates and methods as per the best estimates of the management which is also in accordance with requirement of laws of respective foreign countries as detailed below:

Plant & Machineries	: 10% - 25%
Furniture & Fixtures, Office Equipment	: 10 % - 33%
Computers	: 10% - 50%
Vehicles	: 15% - 38%

c) Depreciation on Plant & Machinery and Shuttering Materials of a subsidiary is provided taking useful life of 10 years and 3 years respectively based on technical evaluation.

d) Depreciation on Furniture & Fixtures and certain Plant & Machineries at construction sites of parent is provided considering the useful life of 3 years and 5 years respectively based on past experience.

e) Depreciation on fumigation covers and dunnages is provided taking useful life of 5 years and 3 years respectively

Depreciation is provided on Straight Line Method (SLM) except on assets pertaining to Research and Development Centre, one of the unit of the Group, Real Estate and mining activities is provided on the basis of written down value method.

Intangible Assets

a) Intangible assets with definite useful life is amortised using straight line method over the useful life.

b) Other Intangible assets are amortized over a period of three to five years on straight line basis.

R. Impairment

a) Financial asset

Group applies, as per Ind AS 109, expected credit loss model for recognizing impairment loss on trade receivables, other contractual rights to receive cash or other financial asset.

b) Non-Financial asset

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

Intangible assets with indefinite life are tested for impairment at every period end. Impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

S. Earnings Per share

Basic earnings per share are computed by dividing profit or loss of the Group attributable to the owners of the Company by weighted average number of equity shares outstanding during the period. The Group did not have any dilutive potential securities in the period presented.

T. Cash and Cash Equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks/financial institutions, with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

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for the year ended 31st March, 2020

5 PROPERTY, PLANT AND EQUIPMENTS AND OTHER INTANGIBLE ASSETS

Financial Year 2019-20

(₹ in Crores)

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK
	As at 1st April, 2019	Additions	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31st March, 2020	As at 1st April, 2019	For the Year	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31st March, 2020	As at 31st March, 2020
(i) Property, Plant and Equipments													
Leasehold Land	25.39	10.43	-	-	-	35.82	-	-	-	-	-	-	35.82
Freehold Land	147.68	0.26	-	0.25	0.01	148.20	-	6.37	-	-	-	6.37	141.83
Buildings	553.74	59.76	0.04	5.79	0.19	619.44	56.11	36.81	0.01	2.94	0.13	95.98	523.46
Plant and Equipment	1,061.80	195.83	20.45	14.20	3.18	1,254.56	378.08	134.62	17.11	9.99	1.55	507.13	747.43
Electrical Installation	12.07	0.95	0.10	-	0.01	12.93	4.22	1.27	0.05	-	-	5.44	7.49
Furniture and Fixtures	34.34	0.32	0.20	-	0.01	34.47	13.38	3.60	0.15	-	0.03	16.86	17.61
Office Equipment	59.54	9.10	0.76	-	0.18	68.06	30.87	12.06	0.64	-	0.15	42.44	25.62
Vehicles	109.41	25.70	6.83	2.34	2.03	132.65	44.86	17.88	4.83	1.55	1.36	60.82	71.83
Total (i)	**2,003.97**	**302.35**	**28.38**	**22.58**	**5.61**	**2,306.13**	**527.52**	**212.61**	**22.79**	**14.48**	**3.22**	**735.04**	**1,571.09**
(ii) Other Intangible Assets													
Toll Collection Rights	1,748.56	-	-	-	-	1,748.56	126.39	37.67	-	-	-	164.06	1,584.50
Copyright and Trade Mark	0.10	0.02	-	19.04	0.73	19.89	0.10	-	-	-	-	0.10	19.79
Customer relationship	-	-	-	48.22	1.85	50.07	-	4.45	-	-	0.14	4.59	45.48
Software (Other than internally generated)	37.70	1.79	-	0.39	0.01	39.89	16.57	6.35	-	0.21	0.01	23.14	16.75
Total (ii)	**1,786.36**	**1.81**	**-**	**67.65**	**2.59**	**1,858.41**	**143.06**	**48.47**	**-**	**0.21**	**0.15**	**191.89**	**1,666.52**
Total (i) + (ii)	**3,790.33**	**304.16**	**28.38**	**90.23**	**8.20**	**4,164.54**	**670.58**	**261.08**	**22.79**	**14.69**	**3.37**	**926.93**	**3,237.61**

Financial Year 2018-19

(₹ in Crores)

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK
	As at 1st April, 2018	Additions	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31st March, 2019	As at 1st April, 2018	For the Year	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31st March, 2019	As at 31st March, 2019
(i) Property, Plant and Equipments													
Leasehold Land	25.39	-	-	-	-	25.39	-	-	-	-	-	-	25.39
Freehold Land	147.68	-	-	-	-	147.68	-	-	-	-	-	-	147.68
Buildings	491.30	64.03	1.67	-	0.08	553.74	37.64	18.56	0.12	-	0.03	56.11	497.63
Plant and Equipment	897.34	182.93	21.77	-	3.30	1,061.80	273.12	119.82	16.38	-	1.52	378.08	683.72
Electrical Installation	10.14	1.96	0.04	-	0.01	12.07	3.04	1.22	0.04	-	-	4.22	7.85
Furniture and Fixtures	32.54	2.75	1.06	-	0.11	34.34	9.86	3.92	0.47	-	0.07	13.38	20.96
Office Equipment	44.82	15.59	0.84	-	(0.03)	59.54	20.45	11.01	0.64	-	0.05	30.87	28.67
Vehicles	94.06	19.62	4.82	-	0.55	109.41	31.61	15.53	2.55	-	0.27	44.86	64.55
Total (i)	**1,743.27**	**286.88**	**30.20**	**-**	**4.02**	**2,003.97**	**375.72**	**170.06**	**20.20**	**-**	**1.94**	**527.52**	**1,476.45**
(ii) Other Intangible Assets													
Toll Collection Rights	1,748.56	-	-	-	-	1,748.56	94.45	31.94	-	-	-	126.39	1,622.17
Copyright and Trade Mark	0.10	-	-	-	-	0.10	0.10	-	-	-	-	0.10	-
Software (Other than internally generated)	29.91	7.78	-	-	0.01	37.70	11.00	5.57	-	-	-	16.57	21.13
Total (ii)	**1,778.57**	**7.78**	**-**	**-**	**0.01**	**1,786.36**	**105.55**	**37.51**	**-**	**-**	**-**	**143.06**	**1,643.30**
Total (i) + (ii)	**3,521.84**	**294.66**	**30.20**	**-**	**4.03**	**3,790.33**	**481.27**	**207.57**	**20.20**	**-**	**1.94**	**670.58**	**3,119.75**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

5 PROPERTY, PLANT AND EQUIPMENTS AND OTHER INTANGIBLE ASSETS (Contd..)

Notes :

(a) Refer note 34 for security created on property plant & equipment and other intangible assets.

(b) Buildings includes ₹ 0.01 Crores (Previous year: ₹ 0.01 Crores) being value of investment in shares of Co-operative Societies.

(c) Deductions / adjustments for the year ended 31st March 2020 includes assets reclassified from assets held for sale. Deductions / adjustments for the year ended 31st March 2019 includes assets classified as held for sale. Depreciation pertaining to assets held for sale is ₹ 51.18 Crores (Previous year ₹ 3.37 Crores).

(d) Depreciation / Amortisation includes impairment on land, plant and machineries and building amounting to ₹ 6.37 crores, ₹ 1.16 crores and ₹ 0.72 crores respectively.

6 INVESTMENTS -NON CURRENT

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
A. Investments - Carried at cost						
(a) In Equity Instruments of Joint Venture, Unquoted,						
Jhajjar KT Transco Private Limited (refer Note 6.1)	INR	10	1,12,64,286	1,12,64,286	-	-
Kurukshetra Expressway Private Limited	INR	10	5,16,82,990	5,16,82,990	-	-
Kohima-Mariani Transmission Limited (subsidiary upto 1st May, 2018) (refer Note 6.1)	INR	10	5,42,56,353	2,22,00,000	-	-
Total investment carried at cost					**-**	**-**
B. Investment - Carried at fair value through profit or loss (FVTPL)						
(i) Quoted,						
(a) In Equity instruments						
Power Grid Corporation of India Limited	INR	10	48,366	48,366	0.77	0.96
(b) In Mutual Fund						
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option	INR	10	5,00,000	5,00,000	0.50	0.50
					1.27	**1.46**
(ii) Unquoted,						
In Equity instruments						
Agri Warehousing Service Providers (INDIA) Association	INR	10	90,000	-	0.09	-
Total investment carried at fair value through profit or loss					1.36	1.46
Total					**1.36**	**1.46**
Aggregate carrying amount of Quoted Investments					1.27	1.46
Market Value of Quoted Investments					1.27	1.46
Aggregate amount of Unquoted Investments					0.09	-

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

6 INVESTMENTS -NON CURRENT (Contd..)

Note:

30,04,337 (Previous year 30,04,337) Equity Shares of Jhajjar KT Transco Private Limited and 2,18,74,104 (Previous Year - 1,13,22,000) shares of Kohima-Mariani Transmission Limited have been pledged with Banks and Financial Institutions for providing financial assistance to them.

6.1 Assets classified as held for sale

(₹ in Crores)

Particulars	As at 31st March 2020	As at 31st March 2020
Transmission Assets	1,298.85	1,388.15
Freehold land	6.67	15.21
Total	**1,305.52**	**1,403.36**

During the previous year ended 31st March, 2019, the Company initiated identification and evaluation of potential buyers for its subsidiaries -Kalpataru Satpura Transco Private Limited (KSTPL), Alipurduar Transmission Limited (ATL) and joint ventures - Jhajjar KT Transco Private Limited (JKTPL) , Kohima-Mariani Transmission Limited (KMTL) (collectively referred to as "the transmission assets"). Accordingly assets and liabilities in respect to these transmission assets were classified as "held for sale". During the current year, the Company entered into binding agreement with CLP India Private Limited (CLP) to sell its stake in 3 (Three) power transmission assets namely, KSTPL, ATL and KMTL. On 20th November, 2019, the Company has completed the sale of its entire stake in KSTPL. Subsequent to the year end, agreement between the Company, ATL and CLP is terminated on account of non-fulfilment of certain conditions precedent as per the agreed terms. The Company is now actively pursuing and evaluating opportunities to sell its stake in ATL and JKTPL to suitable investor(s). Assets amounting to ₹ 1,298.85 Crores (Previous year ₹ 1,388.15 Crores) and liabilities amounting to ₹ 805.76 Crores (Previous year ₹ 946.85 Crores) pertains to the unsold transmission assets classified as "held for sale". Assets classified as held for sale are measured at the lower of carrying amount and its fair value. The transmission assets does not constitute a separate major component of the Group.

One of the Subsidiary Company has classified a parcel of freehold / leasehold lands at Pali and Pratapgarh, under "held for sale", as it intends to dispose the same and for which search for the buyer is underway. Further, In respect of another parcel of land at Jodhpur, subsidiary company has entered into sale agreement with customer. An impairment loss of ₹ 0.27 Crores (Previous year ₹ 0.30 Crores) is recognised based agreement sales value / on external valuation report.

7 TRADE RECEIVABLES

(Unsecured, Considered good)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current	192.87	138.64
Less : Allowance for expected credit loss	(6.17)	(14.90)
TOTAL	**186.70**	**123.74**
(ii) Current	4,730.57	4,342.03
Less : Allowance for expected credit loss	(114.56)	(128.45)
TOTAL	**4,616.01**	**4,213.58**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

8 LOANS

(Unsecured, Considered good)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Security Deposits	76.53	48.14
TOTAL	**76.53**	**48.14**
(ii) Current		
Joint Venture Companies [JV] (refer note 42)	233.60	194.13
Others (Secured Considered good)	78.61	25.84
Security Deposits	67.93	38.47
Less : Allowance for expected credit loss for loans to JV (refer note 33)	(79.47)	-
TOTAL	**300.67**	**258.44**

9 OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Fixed Deposit with Banks *	26.16	27.89
Interest accrued on Fixed Deposit	2.56	0.88
Subsidy Deposit	7.81	7.82
Others	0.02	-
TOTAL	**36.55**	**36.59**
*Includes ₹ 18.36 Crores (Previous year ₹ 18.45 Crores) held as margin money and towards other commitments.		
(ii) Current		
Fixed Deposit with Banks**	51.59	24.84
Accrued Income	20.51	16.37
Subsidy Deposit ^	2.75	2.75
Others	44.29	17.44
TOTAL	**119.14**	**61.40**

**Includes ₹ 3.83 Crores (previous year ₹ Nil) held as margin money and towards other commitments.

^Subsidy deposit of ₹ 2.75 Crores have been received from National Bank for Agriculture and Rural Development (NABARD). However, the same has been recalled and kept on hold by NABARD at the bank due to some compliance issues. The Company has represented the matter to NABARD and Directorate of Marketing & Inspection (DMI), Delhi and are confident of receiving the same.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

10 DEFERRED TAX ASSETS (net) / DEFERRED TAX LIABILITIES (net)

(₹ in Crores)

Particulars	As at 1st April, 2019	Recognised in profit or loss*	Recognised in other comprehensive income	Recognised in retained earnings	Others	As at 31st March, 2020
Deferred tax (liabilities)/assets in relation to:						
a Property, Plant and Equipment and on intangible assets	(77.67)	6.65	-	-	(14.95)	(85.97)
b Expense deductible / income taxable in different tax accounting period and change in fair value	7.51	(28.93)	10.19	0.40	-	(10.83)
c Allowance for expected credit loss	44.67	6.07	-	-	-	50.74
d Carry Forward Tax Losses	75.73	14.39	-	-	-	90.12
e Change in method of determining revenue	(20.49)	-	-	-	-	(20.49)
f Other Tax effect	81.90	(21.63)	0.65	0.02	(5.22)	55.72
SUB-TOTAL	**111.65**	**(23.45)**	**10.84**	**0.42**	**(20.17)**	**79.29**
MAT Credit Entitlement	9.14	(0.08)	-	-	-	9.06
Others (including exchange differences)	-	-	-	-	-	-
TOTAL	**120.79**	**(23.53)**	**10.84**	**0.42**	**(20.17)**	**88.35**

*Includes deferred tax liability of ₹. 8.43 Crores derecognised on sale of subsidiary.

(₹ in Crores)

Particulars	As at 1st April, 2018	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in retained earnings	Others	As at 31st March, 2019
Deferred tax (liabilities)/assets in relation to:						
a Property, Plant and Equipment and on intangible assets	(50.73)	(26.94)	-	-	-	(77.67)
b Expense deductible / income taxable in different tax accounting period and change in fair value	45.74	(25.77)	(9.61)	(2.85)	-	7.51
c Allowance for expected credit loss	44.04	0.63	-	-	-	44.67
d Carry Forward Tax Losses	40.86	34.87	-	-	-	75.73
e Change in method of determining revenue	(28.10)	7.61	-	-	-	(20.49)
f Other Tax effect	69.50	13.15	(0.75)	-	-	81.90
SUB-TOTAL	**121.31**	**3.55**	**(10.36)**	**(2.85)**	**-**	**111.65**
MAT Credit Entitlement	9.13	0.01	-	-	-	9.14
Others (including exchange differences)	(0.06)	0.06	-	-	-	-
TOTAL	**130.38**	**3.62**	**(10.36)**	**(2.85)**	**-**	**120.79**

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax assets	118.63	140.27
Deferred tax liabilities	(38.21)	(13.26)
Net Deferred Tax Asset excluding pertaining to assets held for sale	**80.42**	**127.01**
Assets / (Liabilities) directly associated with assets held for sale	7.93	(6.22)
Net Deferred Tax Asset including pertaining to assets held for sale	**88.35**	**120.79**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

11. OTHER ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Capital Advances	43.52	10.30
Advance Rental	-	2.56
Prepaid Expenses	5.92	6.67
VAT Credit and WCT Receivable	4.86	4.34
Taxes Paid Under Protest	1.04	1.99
TOTAL	**55.34**	**25.86**
(ii) Current		
Taxes and duties Recoverable	41.23	48.75
VAT Credit and WCT Receivable	150.15	184.86
GST Receivable	332.23	237.65
Export Benefits Receivable	22.68	21.00
Taxes Paid Under Protest	28.71	4.92
Advance to Suppliers	326.27	288.09
Prepaid Expenses	62.80	50.46
Amount Due from Customers under Construction and other Contracts (Contract assets)	2,666.26	2,429.24
Advance Rental	-	2.29
Others	5.85	4.68
TOTAL	**3,636.18**	**3,271.94**

11.1 Amount due from/ (to) Customers under Construction Contracts in progress at the end of the reporting period

Recognised as amount due:		
from Customers under Construction Contract	2,684.80	2,450.02
to Customers under Construction Contract (refer note 23)	(607.61)	(436.79)
Less : Allowance for expected credit loss	(18.54)	(20.78)
	2,058.65	**1,992.45**

11.2 The contract assets represents amount due from customer, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when invoice is raised on achievement of contractual milestones. This usually occurs when the Company issues an invoice to the customer. The contract liabilities represents amount due to customer, primarily relate invoice raised on customer on achievement of milestones for which revenue to be recognised over the period of time.

11.3 Increase in contract assets is mainly due to increase in business activities and in certain contracts on account of contractual milestones not achieved. During the year ended 31st March, 2020 ₹ 1,743.76 Crores (Previous year ₹ 1,076.26 Crores) of contract assets as at the beginning of the year has been reclassified to Trade receivables upon billing to customers on completion of milestones.

11.4 Revenue recognised for the current period includes ₹ 436.79 Crores (Previous year ₹ 314.73 Crores), that was classified as amount due to customer at the beginning of the year.

11.5 In case of EPC contracts, amount in the range of 10-20% of the contract value is paid as an advance and 10-20% amount released at the end of project and balance amount is paid progressively based on the agreed milestones in the contract.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

12 INVENTORIES

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials and Components (including goods in transit ₹ 9.51 Crores) (Previous Year ₹ 8.70 Crores)	262.08	266.73
Work-in-progress Tower Parts	46.29	31.46
Finished goods Tower Parts	137.36	90.96
Store, Spares, Construction Materials and Tools	535.12	481.60
Scrap	4.79	3.87
Finished Goods of Real Estate Division	119.15	0.43
Semi-finished Goods of Real Estate Division	103.76	241.45
TOTAL	**1,208.55**	**1,116.50**

12.1 Amount of ₹ 4.18 Crores (Previous year ₹ 3.72 Crores) has been recognised as an expense in the statement of profit and loss to bring inventory at net realisable value.

12.2 Refer note 4 (H) for accounting policy related to valuation of inventories

13 CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances With Banks		
In Current Accounts	484.74	170.62
In Fixed Deposit (with original maturity of less than 3 months)	12.23	16.85
Cheques on hand	-	36.67
Cash on hand	2.51	3.39
TOTAL	**499.48**	**227.53**

14 OTHER BALANCES WITH BANKS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unpaid Dividend Accounts	0.69	0.46
Deposits with original maturity more than 3 months but less than 12 months **	45.93	16.71
TOTAL	**46.62**	**17.17**

**Includes ₹ 35.43 Crores (Previous year ₹ 10.47 Crores) held as margin money and towards other commitments.

15 CURRENT TAX

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non-Current Tax Assets (net)		
Advance Income Tax and TDS (net of provisions)	7.13	9.80
TOTAL	**7.13**	**9.80**
(ii) Current Tax Assets (net)		
Advance Income Tax and TDS (net of provisions)	66.02	35.75
TOTAL	**66.02**	**35.75**
(iii) Current Tax Liabilities (net)		
Provisions for Tax (net of Advance Income Tax and TDS)	2.96	16.50
TOTAL	**2.96**	**16.50**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

16 EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
AUTHORISED :		
17,50,00,000 (Previous year 17,50,00,000) Equity Shares of ₹ 2 each	35.00	35.00
TOTAL	**35.00**	**35.00**
ISSUED, SUBSCRIBED and PAID-UP:		
15,47,15,470 (Previous year 15,34,60,570) Equity Shares of ₹ 2 each fully paid up	30.94	30.69
TOTAL	**30.94**	**30.69**

16.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March, 2020		As at 31st March, 2019	
	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
Shares outstanding at the beginning of the year	15,34,60,570	30.69	15,34,60,570	30.69
Add: Shares Issue during the year	12,54,900	0.25	-	-
Shares outstanding at the end of the year	15,47,15,470	30.94	15,34,60,570	30.69

16.2 The Company has only one class of Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

16.3 During the year, the Company has acquired 19.94% stake in Shree Shubham Logistics Limited (SSL) from Tano India Private Equity Fund II, for a consideration of ₹ 64.66 crores. The consideration is paid through a non-cash equity swap transaction, in which 12,54,900 equity shares of the Company issued at the value of ₹515.25 per share.

16.4 Details of shareholders holding more than 5% shares in the company

(₹ in Crores)

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mofatraj P. Munot	1,00,05,822	6.47	1,14,05,822	7.43
Mr. Parag M. Munot	79,63,615	5.15	1,34,63,615	8.77
Kalpataru Construction Private Limited	2,33,50,000	15.09	2,33,50,000	15.22
K. C. Holdings Private Limited	2,11,42,600	13.67	2,11,42,600	13.78
Kalpataru Properties Private Limited	1,36,46,196	8.82	1,36,46,196	8.89
HDFC Trustee Company Limited	1,49,10,202	9.64	1,33,48,217	8.70

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

17 OTHER EQUITY (EXCLUDING NON CONTROLLING INTEREST)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities Premium :		
At the beginning of the year	803.92	805.06
Add: Premium on Equity Shares issued during the Year	64.41	-
Less : Share Issue Expenses	0.01	1.14
At the end of the year	**868.32**	**803.92**
Debentures Redemption Reserve :		
At the beginning of the year	114.04	102.18
Add: Transfer from Retained Earnings	5.47	36.86
Less : Transferred to General Reserve	11.63	25.00
At the end of the year	**107.88**	**114.04**
General Reserve :		
At the beginning of the year	407.39	370.14
Add : Transferred from Debenture Redemption Reserve	11.63	25.00
Add: Transfer from Retained Earnings	12.25	12.25
At the end of the year	**431.27**	**407.39**
Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934		
At the beginning of the year	0.54	0.34
Add: Transfer from Retained Earnings	0.22	0.20
At the end of the year	**0.76**	**0.54**
Statutory Reserve		
At the beginning of the year	0.26	0.26
At the end of the year	**0.26**	**0.26**
Retained Earnings:		
At the beginning of the year	1,752.96	1,378.86
Add : Profit for the year	389.59	466.75
Add: Impact of Ind AS 116 (net of taxes)	(2.36)	-
Add: Impact of Ind AS 115 (net of taxes)	-	5.24
Less : Acquisition of non-controlling interest	58.12	1.64
Less : Dividend on Equity Shares		
[Dividend per Share ₹ 3.00 (Previous Year ₹ 2.50)]	46.04	38.37
Less : Dividend on Equity Shares		
[Dividend per Share ₹ 3.50]	54.15	-
Less : Corporate Tax on Dividend	20.59	8.57
Less : Transfer to Debenture Redemption Reserve	5.47	36.86
Less : Transfer to General Reserve	12.25	12.25
Less: Transfer to Reserve Fund as per section 45-IC of RBI Act	0.22	0.20
At the end of the year	**1,943.35**	**1,752.96**
Other Comprehensive Income/ (Loss)		
At the beginning of the year	9.67	(14.11)
Add: Other comprehensive income for the year	(34.03)	23.78
At the end of the year	**(24.36)**	**9.67**
TOTAL	**3,327.48**	**3,088.78**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

18 NON CONTROLLING INTEREST

(₹ in Crores)

Particulars	Name of subsidiaries			
	JMC Projects (India) Limited	Shree Shubham Logistics Limited	Kalpataru IBN Omairah Company Limited	TOTAL
Balance as at 1st April, 2018	125.92	16.00	4.47	146.39
Share of total comprehensive Income/ (loss) for the year	26.86	(4.05)	(0.39)	22.42
Reduction of non-controlling interest	-	(4.79)	-	(4.79)
Distribution of dividend	(3.31)	-	-	(3.31)
Balance as at 31st March, 2019	**149.47**	**7.16**	**4.08**	**160.71**
Share of total comprehensive Income/ (loss) for the year	(5.07)	(0.24)	0.11	(5.20)
Reduction of non-controlling interest	(4.32)	(6.92)	-	(11.24)
Distribution of dividend	(3.86)	-	(3.66)	(7.52)
Balance as at 31st March, 2020	**136.22**	**(0.00)**	**0.53**	**136.75**
Proportion of Interest				
As at 31st March, 2020	32.25%	0.00%	35.00%	
As at 31st March, 2019	32.81%	19.94%	35.00%	

18.1 Summarised financial information of major subsidiaries-

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations included in the Group's consolidated financial statement.

(a) JMC Projects (India) Limited

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Assets	5,248.80	5,019.92
Total Liabilities	4,710.03	4,450.03
Total Equity	**538.77**	**569.89**

Particulars	2019-20	2018-19
Revenue	3,866.31	3,407.22
Total comprehensive Income/ (loss) for the year	(15.46)	81.84
Net cash inflow /(outflow)	(26.48)	(74.10)

(b) Shree Shubham Logistics Limited (Refer note 16.3)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Assets	579.54	580.33
Total Liabilities	419.02	513.05
Total Equity	**160.52**	**67.28**

Particulars	2019-20	2018-19
Revenue	135.90	127.33
Total comprehensive Income/ (loss) for the year	(7.15)	(14.39)
Net cash inflow /(outflow)	2.34	(2.09)

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

19. (i) NON CURRENT BORROWINGS

(₹ in Crores)

	As at 31st March, 2020		As at 31st March, 2019	
	Non-Current	Current	Non-Current	Current
Secured (at amortised cost)				
Non-Convertible Redeemable Debentures	149.66	-	149.38	-
Less : Unamortised Transaction Cost of Borrowings	(0.48)	-	(0.62)	-
Term Loans				
From Banks	964.29	153.47	1,007.89	154.68
From NBFC	301.56	60.55	327.18	67.49
Unsecured (at amortised cost)				
Non-Convertible Redeemable Debentures	367.34	133.33	400.62	-
Less : Unamortised Transaction Cost of Borrowings	(1.40)	-	(1.14)	-
Term Loans				
From Banks	15.09	19.29	34.89	25.89
Others	1.01	0.73	-	-
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 21(ii))		(367.37)		(248.06)
TOTAL	**1,797.07**	**-**	**1,918.20**	**-**

19.1 Details of Debentures:

(a) Unsecured Non-Convertible Redeemable Debentures (NCD) :

(₹ in Crores)

Redemption Profile	As at 31st March, 2020	As at 31st March, 2019	Interest	Date of Allotment
Series III NCDs redeemable on 28.08.2023	75.00	75.00	9.95% p.a. payable annually	August 28, 2018
NCDs redeemable on 21.10.22	100.00	-	10.55% p.a. payable quarterly	October 23, 2019
Redeemable at premium on 12.09.2022 (Yield 9%)	50.00	50.00	Zero	September 12, 2018
Series II NCDs redeemable on 27.08.2022	45.00	45.00	9.95% p.a. payable annually	August 28, 2018
Redeemable at premium on 11.03.2022 (Yield 9%)	50.00	50.00	Zero	September 12, 2018
Redeemable at face value in 2 equal annual installments starting from 27.09.2021	100.00	100.00	8.11% p.a. payable annually	September 27, 2017
Series I NCDs redeemable on 27.08.2021	30.00	30.00	9.95% p.a. payable annually	August 28, 2018
Redeemable at face value in 3 equal annual installments starting from 25.05.2020	100.00	100.00	8.45% p.a. payable annually	May 25, 2017
Redeemable at face value on 15.05.2020	100.00	100.00	7.90% p.a. payable annually	March 17, 2017

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

19. (i) NON CURRENT BORROWINGS (Contd..)

19.2 Term Loans from Banks and NBFC :

(a) ₹ Nil (Previous Year ₹ 15 Crore) carries interest of 8.50% -9.00% p.a. secured by hypothecation of specific moveable fixed assets.

(b) ₹ 466.18 Crores (Previous Year ₹ 487.67 Crores) carries interest base rate + Spread charged by bank from time to time, is secured by

i) first charge on all movable and immovable assets and receivables except the project assets and all the intangibles of one of the subsidiary company

ii) first charge by way of assignment or otherwise creation of security Interest in all the right, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in accordance with the provisions of the substitution agreement and the Concession Agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in the Project Documents.

iii) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower. Repayable in quarterly unequal instalments ending on 31st July 2027.

(c) ₹113.50 Crores (Previous Year ₹121.92 Crores) carries interest base rate + spread charged by bank from time to time, is secured by

i) first charge on all movable and immovable assets and receivables except the project assets and all the intangibles of one of the subsidiary company

ii) first charge by way of assignment or otherwise creation of security interest in all the right, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in accordance with the provisions of the substitution agreement and the concession agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in the Project Documents.

iii) pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower. Repayable in quarterly unequal instalments ending on 31st December, 2023.

(d) Term loan amounting to ₹ 288.13 Crores (Previous Year ₹ 317.70 Crores) carries interest base rate + spread charged by bank from time to time, is secured by first charge on all movable and immovable assets except the project assets of one of the subsidiary company. Repayable in quarterly unequal instalments ending on 30th June, 2026.

(e) Term loan from NBFC amounting to ₹ 25 Crores (31st March, 2019: ₹ 25 Crores) is secured by first pari passu charge on entire movable Property, plant and equipment, excluding assets charged exclusively to the Term Lenders, of one of the subsidiary company. Term loan is repayable in 16 equal quarterly instalments, 31st March, 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(f) Term loan from a bank amounting to ₹ 5.83 Crores (31st March, 2019: ₹ 1.29 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending in July 2023 with varying interest rate linked to base rate of bank from time to time.

(g) Term loan from a bank amounting to ₹ 11.64 Crores (31st March, 2019: ₹ 18.30 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in unequal quarterly instalments with 30th September, 2021 as maturity date with varying interest rate linked to base rate of bank from time to time.

(h) ₹ 30.60 Crores & ₹ 28.13 Crores (Previous Year ₹ 48.60 Crores & ₹ 37.50 Crores) is secured by first charge on movable fixed assets, excluding assets charged exclusively to other term lenders, of one of the subsidiary company. Term loan is repayable in balance 18 unequal & 16 equal quarterly installments with December 2020 and March 2022 as a date of maturity and interest payable on monthly basis at varing interest rate.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

19. (i) NON CURRENT BORROWINGS (Contd..)

(i) Term loan from a bank amounting to ₹ 0.79 Crores (31st March, 2019: ₹ 1.54 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending in July 2021 with varying interest rate linked to base rate of bank from time to time.

(j) Term loan from a bank amounting to ₹ 109.69 Crores (31st March, 2019: ₹ 124.87 Crores) is secured by first pari passu charge on entire movable Property, plant and equipment, excluding assets charged exclusively to the Term Lenders, of one of the subsidiary company. Term loan is repayable in 16 unequal quarterly instalments to be paid at the end of each financial quarter with 30th September, 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 year MCLR.

(k) ₹ 17.60 Crores (Previous year ₹ 27.17 Crores) is secured by hypothecation of Vehicles / equipments financed through loans and carrying varying interest rate linked to base rate. Loan is repayable in range of 1 to 38 equal monthly instalments along with interest.

(l) ₹ 232.54 Crores (Previous Year ₹ 272.48 Crores) is secured by the assets at warehouses, including land building, in Rajasthan. Term loans are repayable in balance 12-24 structured installments with varying interest rate linked to base rate of banks.

(m) ₹ 52.50 Crores (Previous Year ₹ 73.50 Crores) carries interest of 8.5% -9.00% p.a, secured by pari passu charges on movable and immovable fixed assets of transmission & distribution and infrastructure division of the Company to the extent of 1.25 times of outstanding facility. It is repayable in 10 equal quarterly instalments ending on 30th September, 2022.

(n) Term loan from a bank amounting to ₹ 72.41 Crores (31st March, 2019: ₹ NIL) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in quarterly instalments with maturity dates ranging from November 2022 and ending on March 2025 and with varying interest rate linked to base rate of bank from time to time.

(o) Term loan from NBFC amounting to ₹ 25 Crores (31st March, 2019: ₹ NIL) is secured by first pari passu charge on entire movable Property, plant and equipment, excluding assets charged exclusively to the Term Lenders, of one of the subsidiary company. Term loan is repayable in 16 equal quarterly instalments, 30th June, 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.

(p) ₹ 0.33 Crores (Previous Year ₹ 0.67 Crores) carrying interest of 10.00% is secured against office equipment at Mumbai location of one of the subsidiary Company. The loan is repayable in balance 4 quarterly structured installments ending on 6th March, 2021.

19 (ii) CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured (at amortised cost)		
Working Capital Facilities from Banks	996.46	443.42
Unsecured (at amortised cost)		
Short Term Loans Banks from	135.25	-
TOTAL	**1,131.71**	**443.42**

(a) Working Capital Facilities of the holding company of ₹ 742.84 Crores (Previous year ₹ 153.70 Crores) from Banks are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, book debts, bills receivable and all other movable assets on pari passu basis and also secured by movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission and distribution division and infrastructure division of Company. Working Capital Facilities carries interest in range of 3% to 9.7%.

(b) Working capital facilities of one of the subsidiary of ₹ 231.36 Crores (Previous year ₹ 267.89 Crores) are secured in favour of consortium bankers, by way of :

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

19. (ii) CURRENT BORROWINGS (Contd..)

(a) First charge against hypothecation of stocks, work in progress, stores and spares, trade receivables, book debts, cash and cash equivalents and other current assets.

(b) Second charge on all movable Property, plant and equipments of the Company.

(c) First charge on the office premises of the Company.

(c) Working capital facilities of one of the Subsidiary of ₹ 22.26 Crores (Previous year ₹ 21.83 Crores) is secured by first pari passu charge on entire stock and book debts and second pari passu charge on plant and equipments and immovable properties at Rajasthan and Gujarat of one of the susbidiary company.

20 TRADE PAYABLE

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Others	349.80	312.81
TOTAL	**349.80**	**312.81**
(ii) Current		
Total outstanding dues of Micro and Small enterprises	102.00	43.95
Acceptances	220.01	153.04
Others	3,123.16	3,048.12
TOTAL	**3,445.17**	**3,245.11**

All current trade payables are non interest bearing and payable or to be settled within normal operating cycle of the Company.

21 OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Security Deposits	5.46	2.19
Interest accrued but not due on borrowings	15.80	5.60
Additional concession fees	364.16	355.74
Lease Liability	52.90	-
Liability for option to purchase Non controlling interest	47.00	-
Others	1.04	7.64
TOTAL	**486.36**	**371.17**
(ii) Current		
Current maturities of long term debt (Refer Note 19(i))	367.37	248.06
Interest accrued but not due on borrowings	29.16	22.62
Unpaid Dividend	0.69	0.46
Unclaimed matured deposits and interest accrued thereon	0.03	0.03
Security Deposits	195.62	147.84
Creditors for capital expenditure	45.78	62.18
Additional concession fees	44.07	35.87
Lease Liability	39.88	-
Other Payable	200.70	111.16
TOTAL	**923.30**	**628.22**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

22 PROVISIONS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Employee benefits	39.48	30.47
Performance Warranties (Refer Note 38)	33.34	42.81
Major maintenance expense (Refer Note 38)	55.55	46.78
TOTAL	**128.37**	**120.06**
(ii) Current		
Employee benefits	10.22	8.30
Performance Warranties (Refer Note 38)	292.58	234.95
Expected Loss on Long Term Contracts (Refer Note 38)	40.52	69.30
Loss of Joint Venture	79.80	56.42
Others	0.06	0.06
TOTAL	**423.18**	**369.03**

23 OTHER LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Non Current		
Advance from Customers	325.53	429.37
Deposit from Customers	0.37	42.83
Deferred Income	16.19	16.70
Others	3.32	3.21
TOTAL	**345.41**	**492.11**
(ii) Current		
Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1&11.2)	607.61	436.79
Advance from Customers	1,640.85	1,408.21
Statutory Liabilities	150.91	137.13
Deferred Income	0.53	0.89
Others	6.78	8.11
TOTAL	**2,406.68**	**1,991.13**

24 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	2019-20	2018-19
Revenue from Contracts with Customers		
Sale of Products		
Tower Parts & Components	307.13	352.22
Agro Commodities	0.92	6.88
Others	158.13	211.23
Income from EPC Contracts	11,714.05	9,827.21
Income from Services	400.36	323.09
Other Operating Income		
Sale of Scrap	55.62	74.01
Certified Emission Reduction Receipts	2.06	-
Export Benefits	37.20	37.37
Others	0.37	8.47
TOTAL	**12,675.84**	**10,840.48**

Revenue as per geographical segment is disclosed in Note 50

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

25 OTHER INCOME

(₹ in Crores)

Particulars	2019-20	2018-19
Interest Income		
On financial assets carried at amortised cost		
On Fixed deposits	10.34	12.45
On loans	3.24	6.56
Others	22.64	17.62
Dividend Income		
Dividend from investment measured at FVTPL	0.07	0.08
Other non operating income		
Rent Income	4.72	6.14
Grant Received	0.51	0.18
Insurance Claims	0.12	0.49
Liabilities Written Back	1.51	0.79
Miscellaneous Income	0.03	3.18
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	(0.19)	0.02
Gain on disposal of property, plant and equipments (net)	0.56	(3.38)
Other	0.49	-
TOTAL	**44.04**	**44.13**

26 COST OF MATERIAL CONSUMED

(₹ in Crores)

Particulars	2019-20	2018-19
Raw Materials		
Steel	706.74	763.24
Zinc	128.98	134.33
Components & Accessories, etc.	2,458.47	2,013.31
Agricultural Residues	35.51	37.93
Construction Materials	2,000.14	1,509.96
Others	-	11.66
TOTAL	**5,329.84**	**4,470.43**

27 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Crores)

Particulars	2019-20	2018-19
STOCK AT BEGINNING OF THE YEAR		
Finished Goods	90.96	94.98
Semi-finished Goods	31.46	32.19
Scrap	3.87	3.73
	126.29	**130.90**
STOCK AT CLOSE OF THE YEAR		
Finished Goods	137.36	90.96
Semi-finished Goods	46.29	31.46
Scrap	4.79	3.87
	188.44	**126.29**
TOTAL	**(62.15)**	**4.61**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

28 EMPLOYEE BENEFIT EXPENSE

(₹ in Crores)

Particulars	2019-20	2018-19
Salaries, Wages, Bonus	899.38	721.18
Contributions to Provident and Other Funds	42.33	41.63
Employees' Welfare Expenses	54.83	21.96
TOTAL	**996.54**	**784.77**

29 FINANCE COSTS

(₹ in Crores)

Particulars	2019-20	2018-19
Interest Expenses	500.90	392.87
Other Borrowing Costs	8.99	2.98
Exchange Rate variation	11.00	5.19
TOTAL	**520.89**	**401.04**

30 OTHER EXPENSES

(₹ in Crores)

Particulars	2019-20	2018-19
Job Charges	65.63	59.57
Power and Fuel	23.49	24.75
Repairs and Maintenance:		
Plant and Machinery	5.31	3.98
Buildings	12.02	9.54
Others	1.92	1.20
Freight and Forwarding Expenses	108.09	151.43
Stores, Spares and Tools Consumed	14.58	14.94
Vehicle/ Equipment Running and Hire Charges	9.27	5.85
Testing Expenses	1.54	1.84
Pollution Control Expenses	2.24	1.92
Insurance	54.65	42.62
Rent	66.54	79.36
Rates, Taxes and Duties	78.10	79.58
Stationery, Printing and Drawing Expenses	9.08	8.49
Telecommunication Expenses	9.41	8.28
Travelling Expenses	78.40	75.11
Legal and Professional Expenses	118.07	60.17
Service Charges	6.27	17.21
Bank Commission and Charges (including ECGC Premium)	82.41	85.24
Share of RSWC	1.19	1.66
Allowance for Expected Credit Losses	(2.58)	25.77
Performance Warranties Expenses	47.24	34.62
Impairment loss on asset held for sale	0.27	0.30
Expenses towards Contractual Deductions	0.59	-
Bad Debt Written Off	7.68	1.80
Loss on Material Damaged / Lost / Fire	0.53	2.75
Loss / (Gain) on Exchange Rate Variation	(54.47)	(46.80)
Sitting Fees and Commission to Non-Executive Directors	3.97	3.86
Corporate Social Responsibility Expenses	5.56	4.76
Carbon Credit Expenses	0.33	0.37
Miscellaneous Expenses*	113.25	66.47
TOTAL	**870.58**	**826.64**

* Includes ₹20 Crores (Previous Year Nil) towards contribution to Electoral trust

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

31 (a) Particulars of Subsidiaries included in Consolidation

Name of Subsidiary	with effect from	Country of Incorporation	% voting power As at 31st March, 2020	% voting power As at 31st March, 2019
Subsidiaries Held Directly				
Adeshwar Infrabuild Limited	August 11, 2009	India	100.00%	100.00%
Amber Real Estate Limited	May 16, 2008	India	100.00%	100.00%
Energylink India Limited	January 30, 2007	India	100.00%	100.00%
JMC Projects (India) Limited	February 6, 2007	India	67.75%	67.19%
Shree Shubham Logistics Limited	March 19, 2007	India	100.00%	80.06%
Kalpataru Satpura Transco Private Limited (upto 20th November, 2019)	May 10, 2013	India	0.00%	100.00%
Kalpataru Metfab Private Limited	March 31, 2015	India	100.00%	100.00%
Alipurduar Transmission Limited	January 6, 2016	India	100.00%	100.00%
Kalpataru Power Transmission (Mauritius) Limited	January 8, 2009	Mauritius	100.00%	100.00%
Kalpataru Power Transmission - USA, Inc	September 11, 2009	USA	100.00%	100.00%
LLC Kalpataru Power Transmission Ukraine	November 6, 2012	Ukraine	100.00%	100.00%
Kalpataru IBN Omairah Company Limited	June 01, 2015	Saudi Arabia	65.00%	65.00%
Kalpataru Power Transmission Sweden AB	January 28, 2019	Sweden	100.00%	100.00%
Subsidiaries Held Indirectly				
Brij Bhoomi Expressway Private Limited	December 6, 2010	India	67.75%	67.19%
JMC Mining and Quarries Limited	February 6, 2007	India	67.75%	67.19%
Saicharan Properties Limited	June 30, 2009	India	100.00%	100.00%
Vindhyachal Expressway Private Limited	January 16,2012	India	67.75%	67.19%
Wainganga Expressway Private Limited	June 02, 2011	India	67.75%	67.19%
Kalpataru Power DMCC, UAE	August 3, 2011	UAE	100.00%	100.00%
Punarvasu Financial Services Private Limited	December 31, 2014	India	100.00%	80.06%
Linjemontage i Grästorp Aktiebolag	April 29, 2019	Sweden	85.00%	0.00%
Linjemontage Service Nordic AB	April 29, 2019	Sweden	85.00%	0.00%
Linjemontage AS	April 29, 2019	Norway	85.00%	0.00%

(b) Particulars of Joint Venture Entities included in Consolidation

Name of Joint ventures	with effect from	Country of Incorporation	% voting power As at 31st March, 2020	% voting power As at 31st March, 2019
Kohima-Mariani Transmission Limited(subsidiary upto 1st May, 2018)	May 02, 2018	India	74.00%	74.00%
Jhajjar KT Transco Private Limited	May 19, 2010	India	49.72%	49.72%
Kurukshetra Expressway Private Limited	March 29, 2010	India	49.57%	49.57%

The above Joint Ventures have been accounted for in these consolidated financial statements using Equity Method and other applicable guidelines.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

(c) Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS.

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current Assets	1,105.34	1,117.17
Current Assets	20.41	26.82
Non-current Liabilities	1,140.73	1,137.72
Current Liabilities	146.00	120.09
Net Assets	**(160.98)**	**(113.81)**
The above amounts of Assets and Liabilities include the following:		
Cash and Cash Equivalents	2.02	3.96
Current Financial Liabilities (excluding trade payables and provisions)	130.03	94.63
Non-current Financial Liabilities (excluding trade payables and provisions)	1,090.67	1,088.90
Contingent Liabilities	45.99	46.07

(₹ in Crores)

Particulars	2019-20	2018-19
Revenue	75.94	90.82
Profit / (Loss) for the year	(47.17)	(41.79)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss) for the year	(47.17)	(41.79)
Dividends received from the Joint Venture during the year	-	-
The above profit / (loss) for the year include the following :		
Depreciation and amortisation	12.69	14.90
Interest income	1.85	0.39
Finance Costs	95.85	100.87
Income tax expense (net)	0.50	(0.44)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financials statements :

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
carrying amount of the Group's interest in the Joint Venture*	-	-

*Provision for loss in joint venture in excess of investment has been disclosed under Provisions.

32 Reconciliation of income tax expenses with the accounting profit

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Profit Before Tax	647.69	761.26
Income tax calculated at 25.168% (Previous year 34.944%)	163.01	266.01
Tax effect of adjustment to reconcile reported income tax expenses		
Tax incentives / concessions / disallowance	7.92	(13.56)
Deferred tax not recognised on unused tax losses	31.02	0.63
Difference in tax rates and others	14.89	21.08
Impact of Prior period foreign income tax	4.37	-
Impact of opening rate difference	36.89	-
Income tax expenses recognized in the statement of profit and loss	**258.10**	**274.17**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

33 Financial instruments – fair values and risk management

Capital Management

The group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

(₹ in Crores)

Gearing ratio	As at 31st March, 2020	As at 31st March, 2019
Debt *	3,297.55	2,610.82
Cash and Cash Equivalents	(499.48)	(227.53)
Net debt	**2,798.07**	**2,383.29**
Total Equity	3,495.17	3,280.18
Net debt to equity ratio	**0.80**	**0.73**

*Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term debt.

Financial Instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. The Group consider that the carrying values of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets		
Measured at Fair Value through Profit and Loss		
(i) Investments - (Level I)	1.36	1.46
Measured at Amortized Cost		
(i) Trade receivables	4,802.71	4,337.32
(ii) Loans	377.20	306.58
(iii) Cash and cash equivalents	499.48	227.53
(iv) Other balances with Bank	46.62	17.17
(v) Others	155.69	97.99
	5,883.06	**4,988.05**
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	2,928.78	2,361.62
(ii) Trade payables	3,794.97	3,557.92
(iii) Other financial liabilities	1,409.66	999.39
	8,133.41	**6,918.93**

Financial Risk Management

Financial Risk factors

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market Risk

The group operates internationally and a major portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

33 Financial instruments – fair values and risk management (Contd..)

risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the group's operations are affected as the rupee appreciates/depreciates against these currencies.

The following table analyses foreign currency risk from financial instruments as at 31st March, 2020

(₹ in Crores)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	0.31	-	1.38	1.69
Trade Receivable	1,471.98	30.90	384.20	1,887.08
Other Financials Assets	0.63	-	3.38	4.01
Total Asset	**1,472.92**	**30.90**	**388.96**	**1,892.78**
Borrowings	261.99	8.67	0.02	270.68
Trade Payable	947.70	46.70	184.25	1,178.65
Other Financial Liabilities	22.71	1.79	0.08	24.59
Total Liabilities	**1,232.40**	**57.17**	**184.36**	**1,473.92**
Net Assets / (Liabilities)	**240.52**	**(26.26)**	**204.60**	**418.86**

The following table analyses foreign currency risk from financial instruments as at 31st March, 2019

(₹ in Crores)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	5.99	-	39.81	45.79
Trade Receivable	1,148.87	91.82	375.96	1,616.65
Other Financials Assets	0.82	0.01	5.10	5.92
Total Asset	**1,155.67**	**91.82**	**420.87**	**1,668.37**
Borrowings	-	-	-	-
Trade Payable	520.89	15.73	183.76	720.37
Other Financials Liabilities	10.74	2.07	0.74	13.55
Total Liabilities	**531.63**	**17.80**	**184.50**	**733.93**
Net Assets / (Liabilities)	**624.04**	**74.03**	**236.37**	**934.44**

The group is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of unhedged USD and Euro is given below:

Sensitivity Analysis

For the year ended 31st March, 2020 and 31st March, 2019, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/Euro would impact group's profit before tax by approximately 1.46% and 0.48% respectively. Sensitivity rate of 5% is used while reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rate.

Derivative Financial Instruments

The group holds derivative financial instruments such as foreign currency Forward contracts and commodity Future contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in price of commodities. The counter party for these contracts is generally a multinational bank, financial institution or exchange. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Mark to Market gain or loss on derivative instruments is part of other current financial assets or liabilities.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

33 Financial instruments – fair values and risk management (Contd..)

As at 31st March, 2020

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	Marked to Market (MTM) Value (₹ in Crores)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing in 3 months to 6 months	76.08	USD 0.23	17.38	(0.23)
Maturing in 6 months to 9 months	72.92	USD 0.82	59.94	(3.89)
Maturing in 9 months to 12 months	77.13	USD 0.97	74.53	(1.17)
Maturing more than 12 months	77.06	USD 3.31	254.79	(10.52)
Total/Average	**76.39**	**USD 5.32**	**406.65**	**(15.81)**
Sell EUR Buy USD				
Maturing less than 3 months	85.41	EUR 0.21	18.24	0.60
Maturing in 3months to 6 months	86.00	EUR 0.26	22.19	0.80
Maturing in 6 months to 9 months	84.64	EUR 0.06	5.04	0.09
Maturing in 9 months to 12 months	86.15	EUR 0.22	19.21	0.60
Total/Average	**85.77**	**EUR 0.75**	**64.68**	**2.08**
Buy USD Sell INR				
Maturing less than 3 months	74.86	USD 0.88	65.50	0.76
Maturing in 3 months to 6 months	77.96	USD 0.50	38.98	(0.51)
Total/Average	**75.99**	**USD 1.38**	**104.48**	**0.24**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	72.42	USD 2.18	157.88	(8.25)
Maturing in 3 months to 6 months	73.58	USD 2.05	150.94	(6.81)
Maturing in 6 months to 9 months	72.94	USD 0.58	42.16	(2.66)
Maturing in 9 months to 12 months	75.62	USD 0.93	70.60	(2.50)
More than 12 Months	76.65	USD 0.09	7.18	(0.27)
Total/Average	**73.46**	**USD 5.84**	**428.77**	**(20.50)**
Sell EUR Buy USD				
Maturing less than 3 months	83.30	EUR 0.10	8.45	0.06
Maturing in 3 months to 6 months	83.49	EUR 0.07	5.43	0.03
Total/Average	**83.37**	**EUR 0.17**	**13.87**	**0.09**
Buy USD Sell INR				
Maturing less than 3 months	75.60	USD 0.57	43.37	0.15
Maturing in 3 months to 6 months	74.61	USD 2.80	209.19	6.76
Maturing in 9 months to 12 months	78.04	USD 0.96	75.02	0.31
Total/Average	**75.50**	**USD 4.34**	**327.57**	**7.22**
Buy EUR Sell USD				
More than 12 Months	93.40	EUR 0.84	78.22	0.42
Total/Average	**78.76**	**EUR 0.84**	**78.22**	**0.42**
Buy USD Sell SEK				
Maturing in 3 months to 6 months	73.67	USD 0.28	20.90	0.78
Total/Average	**73.67**	**USD 0.28**	**20.90**	**0.78**
Buy EUR Sell SEK				
Maturing less than 3 months	83.19	USD 0.12	9.81	0.10
Total/Average	**83.19**	**USD 0.12**	**9.81**	**0.10**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

33 Financial instruments – fair values and risk management (Contd..)

As at 31st March, 2019

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	Marked to Market (MTM) Value (₹ in Crores)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	68.47	USD 0.80	54.71	(1.06)
Maturing in 3 months to 6 months	70.03	USD 1.34	93.86	(0.41)
Maturing in 6 months to 9 months	71.57	USD 1.71	122.50	0.97
Maturing in 9 months to 12 months	72.67	USD 1.77	128.43	1.90
Maturing more than 12 months	72.18	USD 2.30	166.01	(1.85)
Total/Average	**71.42**	**USD 7.92**	**565.51**	**(0.45)**
Sell EUR Buy USD				
Maturing less than 3 months	81.40	EUR 0.37	29.87	1.21
Maturing in 3months to 6 months	83.28	EUR 0.27	22.07	1.22
Maturing in 6 months to 9 months	83.87	EUR 0.21	17.70	0.96
Maturing in 9 months to 12 months	83.75	EUR 0.16	13.06	0.61
Total/Average	**82.79**	**EUR 1.00**	**82.70**	**4.00**
Buy USD Sell INR				
Maturing less than 3 months	68.87	USD 0.41	28.24	0.18
Maturing in 3 months to 6 months	70.31	USD 0.21	14.61	0.01
Total/Average	**69.35**	**USD 0.62**	**42.85**	**0.20**
Buy EUR Sell USD				
Maturing less than 3 months	77.94	USD 0.01	0.82	(0.00)
Maturing in 6 months to 9 months	80.16	USD 0.04	3.56	(0.03)
Maturing in 9 months to 12 months	80.50	USD 0.05	4.04	(0.04)
Total/Average	**80.13**	**USD 0.11**	**8.42**	**(0.07)**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	70.85	USD 1.50	106.43	1.77
Maturing in 3 months to 6 months	72.30	USD 1.44	104.31	2.77
Maturing in 6 months to 9 months	69.38	USD 0.23	15.85	(0.32)
Maturing in 9 months to 12 months	68.95	USD 0.53	36.73	(1.35)
More than 12 Months	72.57	USD 1.10	79.83	0.04
Total/Average	**71.40**	**USD 4.81**	**343.15**	**2.91**
Sell EUR Buy USD				
Maturing less than 3 months	80.29	EUR 0.32	25.85	0.70
Maturing in 3 months to 6 months	80.81	EUR 0.43	34.61	0.91
Maturing in 6 months to 9 months	79.63	EUR 0.37	29.70	0.10
Total/Average	**80.26**	**EUR 1.12**	**90.16**	**1.72**
Buy USD Sell INR				
Maturing less than 3 months	69.03	USD 0.16	11.15	0.04
Maturing in 3 months to 6 months	75.27	USD 1.85	139.56	(8.73)
Maturing in 9 months to 12 months	71.71	USD 0.62	44.75	0.04
Total/Average	**74.05**	**USD 2.64**	**195.46**	**(8.65)**
Buy EUR Sell USD				
Maturing in 3 months to 6 months	78.67	EUR 0.06	4.66	(0.05)
Maturing in 6 months to 9 months	80.16	EUR 0.01	0.48	(0.01)
Total/Average	**78.76**	**EUR 0.07**	**5.14**	**(0.05)**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

33 Financial instruments – fair values and risk management (Contd..)

Reconciliation of Hedge Reserve

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the period	13.12	(5.94)
Gain/(Loss) recognised in OCI during the period	(43.41)	19.06
Less: Tax impact on above	(7.79)	4.61
Balance at the end of the year (Gross)	(30.29)	13.12
Balance at the end of the year (Net of Tax)	**(22.50)**	**8.51**

Loan and Borrowings: Financial Covenants

The group is required to comply with the few financial covenants as per terms of respective sanctions. In case of breach of financial covenants, there can be adverse impact.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, investment securities and other receivables.

Trade receivables and other receivable

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. Credit risk in respect of other receivables mainly comprises of loan to components which are managed by the group, by way of assessing financial condition, current economic trends and ageing of other receivables . The group considers the probability of default and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the group compares the risk of default occurring on financial assets as at the reporting date.

Summary of the group's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in Crores)

Particulars	Carrying amount As at	
	31st March, 2020	31st March, 2019
Not Due	3,645.75	3,014.82
Past due up to 1 years	826.29	959.75
From 1 year to 2 years	211.33	234.81
From 2 year to 3 years	72.07	61.25
Above 3 years	168.01	210.04
	4,923.44	**4,480.67**

Expected credit loss assessment for customers

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables on a provision matrix.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

33 Financial instruments – fair values and risk management (Contd..)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(₹ in Crores)

Particulars	2019-20 Trade receivable	2019-20 Contract Assets
Balance as at 1st April, 2019	**143.35**	**20.78**
Impairment loss recognized (net)	(22.62)	(2.24)
Balance as at 31st March, 2020	**120.73**	**18.54**

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

In addition, group is also exposed to credit risk in relation to corporate guarantee/letter of comfort (LOC) given to banks by the group. The company's exposure in this respect has been disclosed in Note 35.

Loans, investments in group companies

During the year ended 31 March, 2020, the Group has given unsecured loans to joint venture companies. The Group does not perceive any credit risk pertaining to loans given except on the loan given to Kurukshetra Expressway Private Limited, Joint Venture of one of the subsidiary company. As required by Indian Accounting Standard 109 "Financial Instruments", Management of the subsidiary company, has performed an impairment assessment of the recoverable amount based on discounted cash flows, which have been determined by external valuation experts. The determination of the discounted cash flows involves significant management judgement and estimates on the valuation methodology and various assumptions including related to growth rates, discount rates, etc. Further, subsidiary company's management believes that the above assessment based on value in use appropriately reflects the recoverable amount of loans. Based on this assessment and the valuation reports obtained from independent valuer, provision for expected credit loss has been recognised in the Consolidated statement of profit and loss amounted to ₹ 79.47 Crores on the loans given to its joint venture.

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Financial Liabilities						
(i) Trade Payable	3,445.17	349.80	3,794.97	3,245.11	312.81	3,557.92
(ii) Borrowings	1,131.71	1,798.95	2,930.66	443.42	1,919.96	2,363.38
(iii) Other financial liabilities	923.30	486.36	1,409.66	628.22	371.17	999.39
Total			**8,135.29**			**6,920.69**

Note- The above table does not include liability on account of future interest obligation.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

Interest Rate Sensitivity Analysis

For the year ended 31st March, 2020 and 31st March, 2019, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact group's profit before tax by approximately 4.09 % and 2.71 % respectively.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

33 Financial instruments – fair values and risk management (Contd..)

Commodity Price Risk

The group is affected by the price volatility of certain commodities like Steel, Zinc and Aluminum. Its operating activities require the on-going purchase or continuous supply of these materials. The group holds derivative financial instruments such as commodity future contract to mitigate the risk of changes in Zinc and Aluminum prices.

The sensitivity analysis have been determined based on the exposure to changes in commodity prices. The analysis is prepared assuming the quantity of exposure outstanding at the end of the reporting period was outstanding for the whole year. A 5% increase or decrease is used when reporting commodity price risk internally to key management personnel and represents management's assessment of the reasonable possible changes in commodity prices and the impact of the possible change on the group's profit before tax is 1.97% for FY 2019-20 and 2.10% for FY 2018-19.

Exposure As at 31st March, 2020

(₹ in Crores)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			Increase	Decrease
Aluminum	Fixed Price Contracts	1.05	0.05	(0.05)
Zinc	Fixed Price Contracts	12.57	0.63	(0.63)
Steel	Fixed Price Contracts	241.89	12.09	(12.09)
Total		**255.52**	**12.78**	**(12.78)**

Exposure As at 31st March, 2019

(₹ in Crores)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			Increase	Decrease
Aluminum	Fixed Price Contracts	21.12	1.06	(1.06)
Zinc	Fixed Price Contracts	6.43	0.32	(0.32)
Steel	Fixed Price Contracts	292.45	14.62	(14.62)
Total		**320.01**	**16.00**	**(16.00)**

34 Disclosure in respect of security created on assets of the group against borrowings.

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Property, Plant and Equipments (including CWIP)	1,337.78	1,250.98
Intangible Assets	1,582.36	1,622.17
Inventories	968.63	859.53
Financial Assets (Non-current & current)		
Trade Receivables	4,677.88	4,337.33
Loans	113.71	104.56
Cash & Bank Balances	369.91	218.40
Other Balances with Banks	33.44	16.00
Other Assets	2,418.46	2,105.78
Total	**11,502.17**	**10,514.75**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

35 CONTINGENT LIABILITIES IN RESPECT OF :

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Bank guarantees	2.56	2.74
(b) Claims against the group not acknowledged as debt	80.19	37.22
(c) Demands by Service Tax/ Excise/Income Tax and other tax/ revenue authorities, under disputes	79.90	50.64
(d) Show cause notice issued by Service Tax Authorities	55.86	55.71
(e) VAT/WCT/Entry Tax demands disputed by Company	75.72	85.69
(f) Disputed Royalty demand under Tamilnadu Minor Mineral Concession Rules in appeal before High Court	0.40	0.40
(g) Guarantee given in respect of Performance of contracts of Joint Ventures entities in which one of the subsidiaries is having substantial interest.	521.64	403.54

36 CAPITAL & OTHER COMMITMENTS

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed for tangible capital assets and not provided for (net of advances)	90.49	70.58
Commitments on account of Toll, Operation and Maintenance Contracts	16.40	16.51

37 On 29th April, 2019, the Company's wholly owned subsidiary, Kalpataru Power Transmission Sweden AB had acquired 85% stake in Lingemontage I Grastorp AB (LMG Sweden). The Company also has a call option to purchase balance 15% stake from minority shareholders. As per Ind AS 103, purchase consideration has been allocated on identifiable assets and liabilities (including financial liability for Call option) of LMG Sweden. Accordingly, the Company has not recognised non-controlling interest.

38 THE DISCLOSURE AS REGARDS TO PROVISION AS PER IND AS 37 " PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

(₹ in Crores)

A DISCLOSURE AS REGARDS TO PROVISIONS	Major Maintenance		Performance Warranties	
	2019-20	2018-19	2019-20	2018-19
Carrying amount at the beginning of the year	46.78	34.86	277.76	258.71
Add: Acquired under Business Combination	-	-	0.92	-
Add: Provision/Expenses during the year	8.77	11.92	105.21	91.31
Less : Reversal of Provisions	-	-	40.44	52.42
Less : Utilisation during the year	-	-	8.17	16.56
Less : Discounting during the year	-	-	9.36	3.28
Carrying amount at the end of the year	**55.55**	**46.78**	**325.92**	**277.76**

(₹ in Crores)

B	Litigations		Expected Loss on contracts	
	2019-20	2018-19	2019-20	2018-19
Carrying amount at the beginning of the year	26.82	25.79	69.30	49.48
Add: Provision/Expenses during the year	0.88	1.03	18.52	74.87
Less : Utilisation / Reversal of Provisions	-	-	45.74	51.19
Less : Discounting during the year	-	-	1.57	3.86
Carrying amount at the end of the year	**27.70**	**26.82**	**40.52**	**69.30**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

39 EARNING PER SHARE

(₹ in Crores)

Particulars	2019-20	2018-19
No. of Equity Shares at the beginning of the year	15,34,60,570	15,34,60,570
Shares issued during the year (Nos)	12,54,900	-
No. of Equity Shares at the end of the year	15,47,15,470	15,34,60,570
Weighted Average No. of Equity Shares	15,42,69,740	15,34,60,570
Profit for calculation of EPS(₹ in Crores)	389.59	466.75
Basic and Diluted Earnings Per Share (₹)	25.25	30.42
Nominal value of Equity Share (₹)	2.00	2.00

39A As per RBI Notification having reference RBI/2019-20/186: DOR.No.BP.BC.47/21.04.048/2019-20 dated 27th March, 2020, some of the subsidiary companies has availed the benefit of moratorium on payment of unpaid installments for the month of March 2020 and also availed the extension of due date granted for the payment of Goods and Service tax, Income-tax and Profession tax dues for the month of March 2020

40 Disclosures pursuant to Ind AS 19 Employee Benefits

(a) Defined contribution Plans

The Group made contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Group recognized ₹ 28.72 Crores (Previous Year ₹ 25.00 Crores) for provident fund contributions and ₹ 0.35 Crores (Previous Year ₹ 0.40 Crores) for ESIC contribution in the statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

(b) Defined benefit plans

The Group offers the following employee benefit schemes to its employees

(i) Gratuity

The Group made annual contributions to the IRDA approved insurers towards funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service as per the provisions of the Gratuity Act, 1972

(ii) Compensated absences

The Scheme is non-funded.

(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity.

(₹ in Crores)

	2019-20	2018-19
(i) Expenses recognised during the year		
In the statement of Profit & Loss	7.47	6.79
In Other Comprehensive Income	2.16	(2.09)
	9.63	**4.70**
(ii) Expenses recognised in the statement of Profit & Loss		
Current Service Cost	6.34	5.82
Net Interest Cost	1.13	0.97
Total	**7.47**	**6.79**
(iii) Expenses recognised in other comprehensive income		
Actuarial (gains) / losses		
change in demographic assumptions	(0.01)	0.38
change in financial assumptions	2.29	(0.12)
experience variance	(0.64)	(2.53)
Return on plan assets	0.52	0.18
Total	**2.16**	**(2.09)**

Notes forming part of the Consolidated Financial Statement
for the year ended 31st March, 2020

40 Disclosures pursuant to Ind AS 19 Employee Benefits (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(iv)Net Liability recognised in the Balance Sheet		
Present value of obligation	49.51	42.97
Fair value of plan assets	24.75	25.04
Liability Recognized in Balance Sheet	**(24.76)**	**(17.93)**
(v) Changes in Present Value of Obligations		
Present value of obligation at the beginning of the year	42.97	39.42
Current Service Cost	6.34	5.82
Interest Cost (Gross)	3.09	2.67
Actuarial (gains) / losses arising from:		
changes in financial assumptions	2.29	(0.12)
change in demographic assumptions	(0.01)	0.38
changes in experience assumptions	(0.64)	(2.53)
Benefits paid	(4.53)	(2.67)
Present value of obligation at the end of the year	**49.51**	**42.97**
(vi)Changes in Fair Value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	25.04	24.95
Interest Income	1.96	1.74
Return on Plan Assets	(0.52)	(0.18)
Contributions by Employer	2.80	1.20
Benefits paid	(4.53)	(2.67)
Fair Value of Plan assets at the end of the year	24.75	25.04
(vii)Bifurcation of present value of obligations into current and non-current		
Current Liability	7.12	3.88
Non-current Liability	17.64	14.06
(viii) Actuarial assumptions used in determining the obligation are		
Discount rate	6.20%-6.90%	6.90%-7.76%
Salary Escalation Rate	5.00%-8.00%	5.00%-8.00%
Mortality Rate	As per Indian Assured Lives Mortality (2012-14) Table	
Withdrawal Rate	2.00%-25.00%	2.00%-25.00%
Retirement Age	58 - 60 years	
Expected Return on Asset	6.20%-6.90%	7.93%
(ix) Maturity Profile of Defined benefit obligation		
1 year	8.58	7.32
2 year	6.01	6.31
3 year	6.47	5.95
4 year	6.94	6.19
5 year	7.30	6.56
after 5 year	30.35	51.44
(x) Quantitative Sensitivity Analysis for Significant Assumptions		
Defined Benefits Obligation (Base) (₹ in Crores)	49.51	42.97
Impact of change in discount rate		
Revised obligation at the end of the year		
due to increase of 0.50%	47.97	41.68
due to decrease of 0.50%	50.78	44.14
Impact of change in salary increase		
Revised obligation at the end of the year		
Impact due to increase of 0.50%	50.57	44.03
Impact due to decrease of 0.50%	48.13	41.77

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

40 Disclosures pursuant to Ind AS 19 Employee Benefits (Contd..)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(d) Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit plans which are as follows:

a. Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

b. Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c. Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

d. Investment Risk : The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

41 Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

42 Related Party disclosure as required by IND AS 24 is as below :

List of Related Parties

a) Joint Ventures	
Jhajjar KT Transco Private Limited	
Kurukshetra Expressway Private Limited	
Kohima-Mariani Transmission Limited (Subsidiary upto 1st May, 2018)	
b) Key Management Personnel	
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman
Mr. Manish Mohnot	Managing Director and CEO
c) Individuals having significant influence and their relatives:	
Mr. Parag Munot	Promoter Director
Ms. Sudha Golechha	Relative of Promoter Director
Ms. Sunita Choraria	Relative of Promoter Director
d) Enterprises having Significant influence and having transactions with the group	
Kalpataru Properties Private Limited	
Kalpataru Properties (Thane) Private Limited	
Property Solution (India) Private Limited	
Kalpataru Limited	
Kalpataru Construction Private Limited	
K C Holdings Private Limited	
Kalpataru Viniyog LLP	
Kalpataru Holdings Private Limited	
Kiyana Ventures LLP	
Gurukrupa Developers	
Kalpataru Retail Ventures Private Limited	

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

42 Related Party disclosure as required by IND AS 24 is as below : (Contd..)

Agile Real Estate Private Limited	
Abacus Real Estate Private Limited	
Argos Arkaya Power Solutions LLP	
BGK Infrastructure Developers Private limited	
Kalpataru Urbanscape LLP	
Kalpataru Foundation	

Transactions with Related Parties in ordinary course of business are:

(₹ in Crores)

Particulars	Relationship	2019-20	2018-19
1 Purchase/Construction of Property, Plant and Equipment			
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	-	0.53
2 Advance For Capex			
Gurukrupa Developers	Enterprises having significant influence	1.35	3.05
Kalpataru Properties Private Limited	Enterprises having significant influence	32.00	-
3 Net Loans and advances given/(repaid)			
Kohima-Mariani Transmission Limited	Joint Venture	-	(1.33)
Jhajjar KT Transco Private Limited	Joint Venture	0.60	-
Kurukshetra Expressway Private Limited	Joint Venture	36.45	25.01
4 Other Expenses / Service Charges			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.32	0.21
Kalpataru Limited	Enterprises having significant influence	0.12	-
Kalpataru Properties (Thane) Private Limited	Enterprises having significant influence	0.22	-
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	-	0.04
5 Reimbursement of Expenses Payable / (Receivable)			
Jhajjar KT Transco Private Limited	Joint Venture	0.03	0.50
Kohima-Mariani Transmission Limited	Joint Venture	(34.29)	-
Property Solution (India) Private Limited	Enterprises having significant influence	2.53	2.35
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.39	0.39
Kalpataru Limited	Enterprises having significant influence	0.07	0.09
6 Rent Paid			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	17.28	17.89
Kalpataru Limited	Enterprises having significant influence	1.11	1.24
Agile Real Estate Private Limited	Enterprises having significant influence	0.18	0.24
BGK Infrastructure Developers Private limited	Enterprises having significant influence	0.94	1.37
K C Holdings Private Limited	Enterprises having significant influence	0.03	-
7 Revenue from Operations			
Jhajjar KT Transco Private Limited	Joint Venture	1.46	1.46
Kohima-Mariani Transmission Limited	Joint Venture	360.09	310.12
Kiyana Ventures LLP	Enterprises having significant influence	8.58	22.18
Abacus Real Estate Private Limited	Enterprises having significant influence	8.30	39.69
Agile Real Estate Private Limited	Enterprises having significant influence	28.90	80.61
Kalpataru Urbanscape LLP	Enterprises having significant influence	9.92	33.23
8 Other Income			
Jhajjar KT Transco Private Limited	Joint Venture	0.38	0.35

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

42 Related Party disclosure as required by IND AS 24 is as below : (Contd..)

(₹ in Crores)

Particulars	Relationship	2019-20	2018-19
Kohima-Mariani Transmission Limited	Joint Venture	2.81	4.33
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	2.09
9 Salary and Commission *			
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	11.90	14.00
Mr. Manish Mohnot	Key Managerial Personnel	9.91	11.80
Mr. Parag Munot	Promoter Director	1.28	1.70
* break up of Compensation to key managerial personnel			
Short term employment benefits		21.81	25.80
10 Dividend Paid			
Kalpataru Properties Private Limited	Enterprises having significant influence	8.87	3.41
Kalpataru Construction Private Limited	Enterprises having significant influence	15.18	5.84
K C Holdings Private Limited	Enterprises having significant influence	13.74	5.29
Kalpataru Viniyog LLP	Enterprises having significant influence	0.86	0.33
Kalpataru Holdings Private Limited	Enterprises having significant influence	0.22	0.08
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	7.74	2.85
Mr. Parag Munot	Promoter Director	6.83	3.37
Ms. Sudha Golechha	Relative of Promoter Director	0.57	0.22
Ms. Sunita Choraria	Relative of Promoter Director	0.57	0.22
11 Security Deposit paid			
Kalpataru Limited	Enterprises having significant influence	0.12	0.52
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	54.30	2.98
12 Advance from Customers received / (adjusted) net			
Kohima-Mariani Transmission Limited	Joint Venture	(52.33)	55.26
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	0.03	1.39
Kiyana Ventures LLP	Enterprises having significant influence	(1.26)	(4.05)
Abacus Real Estate Private Limited	Enterprises having significant influence	(4.35)	3.95
Agile Real Estate Private Limited	Enterprises having significant influence	(4.24)	5.27
Kalpataru Urbanscape LLP	Enterprises having significant influence	(1.48)	7.68
13 Investment in Equity Shares			
Kohima-Mariani Transmission Limited	Joint Venture	112.20	77.67

Balances with Related parties as at 31st March, 2020

(₹ in Crores)

Particulars	Relationship	As at 31st March,2020	As at 31st March, 2019
1 Advances Given			
Gurukrupa Developers	Enterprises having significant influence	8.72	6.97
Kalpataru Properties Private Limited	Enterprises having significant influence	32.31	-
2 Loans Given			
Jhajjar KT Transco Private Limited	Joint Venture	4.25	3.65
Kohima-Mariani Transmission Limited	Joint Venture	29.92	27.51
Kurukshetra Expressway Private Limited	Joint Venture	119.95	162.97
3 Security Deposit Given			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	93.56	43.90
Kalpataru Limited	Enterprises having significant influence	0.64	0.52

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

42 Related Party disclosure as required by IND AS 24 is as below : (Contd..)

(₹ in Crores)

Particulars	Relationship	As at 31st March,2020	As at 31st March, 2019
4 Trade and Other Payable			
Jhajjar KT Transco Private Limited	Joint Venture	0.03	-
Kalpataru Limited	Enterprises having significant influence	0.53	0.01
Kalpataru Properties (Thane) Private Limited	Enterprises having significant influence	0.34	0.00
Agile Real Estate Private Limited	Enterprises having significant influence	(0.01)	0.26
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	-	0.03
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.06	0.07
Property Solution (India) Private Limited	Enterprises having significant influence	0.39	0.26
BGK Infrastructure Developers Private limited	Enterprises having significant influence	0.03	-
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	10.31	12.55
Mr. Manish Mohnot	Key Managerial Personnel	6.58	8.50
Mr. Parag Munot	Promoter Director	1.28	1.70
5 Trade Receivables			
Jhajjar KT Transco Private Limited	Joint Venture	0.87	0.37
Kiyana Ventures LLP	Enterprises having significant influence	19.11	12.50
Abacus Real Estate Private Limited	Enterprises having significant influence	7.96	15.84
Kurukshetra Expressway Private Limited	Joint Venture	-	0.45
Agile Real Estate Private Limited	Enterprises having significant influence	33.55	48.98
Kohima Mariani Transmission Limited	Joint Venture	46.39	118.00
Kalpataru Urbanscape LLP	Enterprises having significant influence	14.91	7.28
K C Holdings Private Limited	Enterprises having significant influence	0.03	-
6 Advances From Customers			
Kohima-Mariani Transmission Limited	Joint Venture	2.93	55.26
Kiyana Ventures LLP	Enterprises having significant influence	0.75	2.01
Abacus Real Estate Private Limited	Enterprises having significant influence	-	4.35
Kalpataru Urbanscape LLP	Enterprises having significant influence	9.64	11.12
Agile Real Estate Private Limited	Enterprises having significant influence	1.03	5.27
7 Guarantee Outstanding			
Kalpataru Foundation	Enterprises having significant influence	0.01	-

Note: Transactions with the related parties are at Arm's length prices. The amount outstanding are unsecured and will be settled in cash.

43 ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF :

(₹ in Crores)

Particulars	2019-20	2018-19
Subcontracting expenses	2,680.22	2,097.13
Construction material, stores and spares consumed	490.94	540.21
Power and fuel	105.15	78.50
Freight and Forwarding Expenses	57.09	87.41
Vehicle and Equipment Hire Charges	288.69	251.38
Custom Duty, Clearing & Handling Charges	64.69	70.93
Others	291.28	281.26
TOTAL	**3,978.06**	**3,406.82**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

44 (a) One of the Subsidiary Company has filed a writ petition dated 6th May, 2009 before the Rajasthan High Court, Jaipur against the Board of Revenue, Revenue Appellate Authority, the Sub-Divisional Officer, Ramgarh and others, challenging their orders dated 1st April, 2009, 20th August, 2008 and 5th February, 2008, respectively, pursuant to which the revenue authorities had invalidated the transfer of land measuring 1.895 hectares situated at Ramgarh district Alwar, to the subsidiary Company, alleging contravention of the Rajasthan Land Revenue (Conversion of Agricultural land for Non- Agricultural Purposes in Rural Areas) Act, 1992. The subsidiary company has prayed inter-alia, for an order quashing the orders dated 1st April, 2009, 20th August, 2008, and 5th February, 2008, and declaring the entire proceedings initiated by the Sub-Divisional Officer as illegal, arbitrary and unconstitutional, or in the alternative, remanding the case to the Sub-Divisional Officer, on the grounds that the order was passed without providing an opportunity to be heard. The High Court through its interim order dated 11th May, 2009 granted an interim stay against the operation of the challenged orders. The value of the land and building, involved in the matter, at book value is ₹8.32 Crores. The matter is currently pending and the subsidiary Company does not expect any liability on account of the same. In the instant matter, the subsidiary company has been successful to obtain stay order form the Hon'ble High Court, Rajasthan, Bench Jaipur. The Stay will continue till the final disposal of the matter. The matter now is in due course.

(b) One of the Subsidiary Company had received a letter from its term lender for projects in Rajasthan and Gujarat stating that the subsidy applied under Scheme of Development /Strengthening of Agriculture Marketing Infrastructure, Grading and Standardization (AMIGS) for its Agri Logistics Parks has not been approved on technical grounds as stated in the Joint Monitoring Committee report and has recalled the advance subsidy of ₹ 2.25 Crores (Previous Year ₹ 2.25 Crores). The said advance capital subsidy received by subsidiary Company has credited to the relevant fixed assets of the subsidiary Company in the year of receipt. The subsidiary Company has represented the matter to National Bank for Agriculture and Rural Development (NABARD) and Directorate of Marketing & Inspection (DMI), Delhi. DMI has initiated the process for reviewing the same in the light of submissions made by the subsidiary Company. The subsidiary Company believes that the projects are well qualified under the said subsidy scheme and the same would be approved by the relevant sanctioning authorities. The empowered committee of India has observed that cold storage of Ramganj mandi (Rajasthan) and Deesa (Gujarat) are eligible for release of final subsidy ₹ 0.25 Crores each (Total ₹ 0.50 Crores). Both Rajasthan and Gujarat locations related subsidy matters are pending before the Hon'ble High Court Rajasthan, Bench Jaipur and Hon'ble Gujarat High Court, Ahmedabad, respectively. The Hon'ble High Courts of Rajasthan and Gujarat have already granted stay order in favour of the subsidiary company. Stay is continuing till the final disposal of the writ petitions.

45 (a) The Group has entered into service concession agreements with grantors viz: National Highways Authority of India (NHAI) and The Madhya Pradesh Road Development Corporation Ltd. (MPRDC) for construction and maintenance of the toll roads for a specified period (concession period) and has received a right to collect a fee for using the toll road during that agreed concession period. The Group has to pay a guaranteed minimum annual payment to the grantor for each year that the toll road in operation, as per agreement, for 2 toll roads. At the end of concession period, the ownership of the toll roads will vest with grantor. The service concession agreement does not contain a renewal option. In terms of para 17 of appendix C to Ind AS 115, cost on construction of roads has been recognised as "intangible assets" and being amortised over concession period.

(b) Group has entered into transmission agreement in the nature of service concession agreement with Madhya Pradesh Power Transmission Corporation Limited (grantor) for obtaining exclusive right to construct, operate and maintain the transmission lines on design, build, finance, operate and transfer (DBFOT) basis for a specified period (concession period) commencing from the date of grant of the Transmission License and receive monthly determinable annuity payments. In terms of para 16 of appendix C to Ind AS 115, cost on construction of transmission lines has been recognised as "financial assets". On 20th November 2019, the Company has completed the sale of its entire stake in Kalpataru Satpura Transco Private Limited (KSTPL). Consequently, KSTPL ceases to be a subsidiary of the Company effective from the same date.

(c) Financial summary of above concession agreements is given below.

(₹ in Crores)

Particulars	Toll Roads		Transmission Lines	
	2019-20	2018-19	2019-20	2018-19
Revenue accounted during the year	153.83	156.02	-	26.78
Profit before tax	(59.63)	(51.45)	-	9.12

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

46 Leases

1 Ind AS 116 Transition

Ministry of Corporate Affairs ("MCA") has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 requires lessee to recognise assets and liabilities for all the leases which conveys the right to use an asset for a period of time in exchange for consideration. Under Ind AS 17, lease arrangements where risk and rewards incidental to ownership of assets substantially vest to lessors were identified as operating leases. Ind AS 116 requires to recognise depreciation and interest cost instead of rent expenses as hitherto done under Ind AS 17.

The Group has adopted Ind AS 116 "Leases" with effect from 1st April, 2019, with a modified retrospective approach. The cumulative effect of initial application of Ind AS 116, has been adjusted in opening retained earnings on the date of application i.e. 1st April, 2019, as permitted by standard. Similar impact on the results of the year ended 31st March, 2020 is also not material. The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss. The weighted average incremental borrowing rate of 6.50% - 18.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

2 Reconciliation of lease commitment under Ind AS 17 and lease liability recognised as at the date of transition i.e. 1st April, 2019.

Particulars	₹ In crores
Lease Commitment under Ind AS 17 as at 31st March, 2019	52.79
Discounting of lease payments	(6.43)
Short-term leases	(20.98)
Additional leases identified under Ind AS 116	28.69
Lease liability as at the date of transition under Ind AS 116	**54.07**

Leases Disclosure

1 The Company's significant leasing/ licensing arrangements are mainly in respect of residential / office premises and equipments. Leases generally have a lease term ranging from 14 months to 108 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

2 Right-of-use assets by class of assets is as follows.

(₹ in Crores)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK
	Recognised on the date of Transition to Ind AS 116	Additions	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2020	Recognised on the date of Transition to Ind AS 116	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2020	As at 31st March, 2020
TANGIBLE ASSETS											
Land	0.46	2.01	-	-	2.47	-	0.24	-	-	0.24	2.23
Buildings	47.01	70.45	7.51	-	109.95	-	30.06	3.34	0.07	26.79	83.16
Plant & Equipments	3.29	0.79	-	-	4.08	-	1.26	-	0.01	1.27	2.81
Vehicles	-	16.14	-	-	16.14	-	4.07	-	0.12	4.19	11.95
Total (ii)	**50.76**	**89.39**	**7.51**	**-**	**132.64**	**-**	**35.63**	**3.34**	**0.20**	**32.49**	**100.15**

3 Finance costs includes interest expense amounting to ₹ 5.18 Crores for the year ended 31st March, 2020 on lease liablity accounted in accordance with Ind AS 116 'Leases'.

4 Rent expense in Note No. 30 represents lease charges for short term leases.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

46 Leases (Contd..)

5 Lease liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020
Maturity analysis - Undiscounted cash flows	
Less than one year	42.89
More than one year	60.62
Total undiscounted lease liabilities	
Lease liabilities included in financial position	
Current	39.88
Non current	52.90

47 Additional information as required by paragraph 2 of the general instruction for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % Net Asset	Amount (₹ in Crores)	As % Profit or (Loss)	Amount (₹ in Crores)	As % Profit or (Loss)	Amount (₹ in Crores)	As % Profit or (Loss)	Amount (₹ in Crores)
Parent								
Kalpataru Power Transmission Limited	105.28%	3,535.59	118.86%	463.05	70.35%	(23.94)	123.50%	439.11
Subsidiaries								
Indian								
Adeshwar Infrabuild Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Amber Real Estate Limited	0.12%	3.89	0.14%	0.54	0.00%	-	0.15%	0.54
Energylink India Limited	4.55%	152.72	0.04%	0.14	0.00%	-	0.04%	0.14
JMC Projects (India) Limited	28.88%	969.92	20.27%	78.96	48.93%	(16.65)	17.52%	62.31
Shree Shubham Logistics Limited	4.71%	158.11	-2.02%	(7.86)	1.20%	(0.41)	-2.33%	(8.27)
Kalpataru Satpura Transco Private Limited	0.00%	-	1.04%	4.07	0.00%	-	1.14%	4.07
Kalpataru Metfab Private Limited	0.45%	14.95	-1.81%	(7.07)	0.00%	-	-1.99%	(7.07)
Brij Bhoomi Expressway Private Limited	-0.54%	(18.14)	-2.04%	(7.93)	0.00%	-	-2.23%	(7.93)
JMC Mining and Quarries Limited	0.01%	0.19	0.00%	-	0.00%	-	0.00%	-
Saicharan Properties Limited	3.54%	118.87	-6.54%	(25.48)	-0.03%	0.01	-7.16%	(25.47)
Vindhyachal Expressway Private Limited	4.33%	145.57	-2.81%	(10.94)	0.00%	-	-3.08%	(10.94)
Wainganga Expressway Private Limited	-2.78%	(93.47)	-8.89%	(34.63)	0.00%	-	-9.74%	(34.63)
Punarvasu Financial Services Private Limited	0.66%	22.27	0.29%	1.12	0.00%	-	0.30%	1.12
Alipurduar Transmission Limited	5.07%	170.20	-5.67%	(22.10)	0.00%	-	-6.22%	(22.10)
Foreign								
Kalpataru Power Transmission (Mauritius) Limited	0.05%	1.82	-0.04%	(0.16)	-0.12%	0.04	-0.03%	(0.12)
Kalpataru Power Transmission - USA, INC	0.13%	4.51	0.91%	3.54	-0.85%	0.29	1.08%	3.83
LLC Kalpataru Power Transmission Ukraine	0.01%	0.34	0.11%	0.41	0.06%	(0.02)	0.11%	0.39
Kalpataru Power DMCC, UAE	-0.04%	(1.30)	-0.17%	(0.68)	0.26%	(0.09)	-0.22%	(0.77)
Kalpataru IBN Omairah Company Limited	0.16%	5.54	-0.11%	(0.41)	-2.15%	0.73	0.09%	0.32
Kalpataru Power Transmission Sweden AB	1.39%	46.55	-2.53%	(9.87)	-1.76%	0.60	-2.60%	(9.27)
Linjemontage i Grästorp Aktiebolag	1.84%	61.65	2.57%	10.02	-0.62%	0.21	2.88%	10.23
Linjemontage Service Nordic AB	0.19%	6.31	0.12%	0.48	0.00%	-	0.13%	0.48
Linjemontage AS	0.06%	1.91	-0.29%	(1.13)	0.00%	-	-0.31%	(1.13)
Non Controlling interest in all subsidiaries	-4.07%	(136.75)	0.00%	-	-15.27%	5.20	1.46%	5.20
Joint Venture (as per equity consolidation method)								
Jhajjar KT Transco Private Limited	0.40%	13.35	0.00%	-	-	-	0.00%	-
Kurukshetra Expressway Private Limited	-	-	-6.00%	(23.38)	-	-	-6.57%	(23.38)
Kohima-Mariani Transmission Limited	0.00%	-	0.00%	-	-	-	0.00%	-
Adjustment arising out of consolidation	-54.40%	(1,826.19)	-5.43%	(21.10)	-	-	-5.93%	(21.10)
Total	**100.00%**	**3,358.42**	**100.00%**	**389.59**	**100.00%**	**(34.03)**	**100.00%**	**355.56**

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

48 Business Combination

Kalpataru Power Transmission Sweden AB, wholly owned subsidiary of the Company, acquired Linjemontage i Grästorp Aktiebolag (LMG Sweden), Sweden on 29th April, 2019. The Company paid ₹ 136.36 Crores (SEK 185.6 million) to acquire 85% stake in LMG Sweden.

The Company has accounted for transaction under Ind AS 103, "Business Combinations" and allocated the Purchase consideration paid for this acquisition as follows:

Particulars	Amount (₹ In crores)
Net assets excluding deferred tax liabilities	4.64
Intangible assets	67.25
Goodwill	82.57
Deferred tax liabilities	(18.10)
Total Consideration paid	**136.36**

The acquisition cost amounting to ₹ 4.39 Crores have been included in other expenses in statement of profit and loss.

49 Goodwill and Indefinite life Trademark

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable asset.

The useful life of trademark has been determined to be indefinite as the Company expects to generate future economic benefits indefinitely from the asset.

Goodwill and Trademark are tested for impairment annually or based on an indicator and provides for impairment if the carrying amount of goodwill / Trademark exceeds its recoverable amount.

Following is a summary of changes in the carrying amount of goodwill / trademark

(₹ in Crores)

	Goodwill		Trademark	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	**20.15**	**20.15**	**-**	**-**
Acquired on business combination during the year	82.57	-	19.04	-
Foreign currency translation difference	3.16	-	0.73	-
Balance at the end of the year	**105.88**	**20.15**	**19.77**	**-**

The company did internal cash flow forecast based on assumption of terminal value growth rate of 0.2% p.a., weighted average cost of capital 13.9%. The Company did not identify any impairment based on internal cashflow forecast.

50 Segment Reporting

Group's reportable segments are as under:

(a) Engineering, Procurement and Construction (EPC): It comprises of infrastructure projects relating to power transmission and distribution, civil construction, railway track laying and electrification, oil and gas pipelines laying, etc.

(b) Developmental Project: It comprises of development, operation and maintenance of infrastructure project.

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker (CODM) for the purpose of resource allocation and assessing performance.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

50 Segment Reporting (Contd..)

Summarised segment information are as follows:

(a) Business Segment

(₹ in Crores)

Particulars	EPC		Developmental Projects		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i) Segment Revenue	12,194.81	10,361.17	344.80	343.58	141.89	137.03	12,681.50	10,841.78
Less: Inter-Segmental Revenue							5.66	1.30
Revenue from Operations							12,675.84	10,840.48
(ii) Segment Results (before finance cost and interest income)	999.97	974.95	131.04	134.95	24.73	33.87	1,155.74	1,143.77
Add: Interest income							36.22	36.63
Less: Finance Costs							520.89	401.04
Share of Loss from Joint Venture							(23.38)	(18.10)
Profit Before Tax							647.69	761.26
Current Tax							226.14	277.79
Deferred Tax							31.96	(3.62)
Net Profit for the year							389.59	487.09
(iii) Other Information								
Depreciation and amortisation							339.64	210.94
Impairment of assets	-	-	79.47	-	6.89	-	86.36	-

(iv) Segment Assets and Liabilities	EPC	Developmental Projects	Others	Total
As at 31st March, 2020				
Segment Assets	12,526.64	3,207.97	592.45	16,327.06
Less: Inter segmental assets	538.75	3.19	5.97	547.91
Net Segment Assets	11,987.89	3,204.78	586.48	15,779.15
Segment Liabilities	9,657.12	2,658.44	422.44	12,738.00
Less: Inter segmental liabilities	5.96	321.43	126.63	454.02
Net Segment Liabilities	9,651.16	2,337.01	295.81	12,283.98
As at 31st March, 2019				
Segment Assets	10,574.44	3,558.19	711.44	14,844.07
Less: Inter segmental assets	443.37	240.41	12.24	696.02
Net Segment Assets	10,131.07	3,317.78	699.20	14,148.05
Segment Liabilities	8,108.42	2,778.64	519.52	11,406.58
Less: Inter segmental liabilities	0.06	352.89	185.76	538.71
Net Segment Liabilities	8,108.36	2,425.75	333.76	10,867.87

(b) Geographical Segment

(₹ in Crores)

Particulars	2019-20	2018-19
Revenue from Operations		
Within India	9,159.59	7,996.51
Outside India^	3,516.25	2,843.97
Total	12,675.84	10,840.48

Non Current Assets*

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within India	1,601.75	1,392.42
Outside India	175.71	121.62

*excludes Intangibles, Financial assets, Non current tax and Deferred tax assets.

^None of the geographies outside India contributes to more than 10% of the gross revenue in current year and previous year.

Notes forming part of the Consolidated Financial Statement

for the year ended 31st March, 2020

51 Revenue from major customers - Public sector undertakings in India, is ₹ 3,501.00 Crores (Previous year ₹ 2,690.76 Crores). Revenue from other individual customer is less than 10% of total revenue.

52 Performance obligations unsatisfied or partially satisfied amounts to ₹19,406.13 Crores (Previous year ₹ 22,873.46 Crores) for which revenue is expected to be recognized in future over the period of 1 to 6 years.

53 Investment Properties :

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Investment Properties - at Cost	0.82	0.82
Investment Properties - at Fair Value	16.93	14.43

Fair Valuation Technique: The fair value of Investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. Valuation of the subject property has been done by Sales Comparison Method under Market Approach at each balance sheet date.

54 Exceptional items includes Gain on sale of KSTPL amounting to ₹ 12.31 crores and impairment of land and property, plant and equipments of two subsidiary companies amounting to ₹ 8.25 Crores.

55 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Group has considered internal and certain external sources of information including economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Group expects to recover the carrying amount of trade receivables including unbilled receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 20th May, 2020

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : 20th May, 2020

Annexure pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures

Part "A": Subsidiaries

(₹ in Crores)

Sr. No.	Name of the Subsidiary	Reporting currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	JMC Projects (India) Limited	INR	33.58	936.33	3,821.33	3,267.80	416.38	3,713.03	116.81	37.86	78.96	-	67.75%
2	Shree Shubham Logistics Limited	INR	73.43	84.68	556.59	418.44	19.97	132.24	(5.55)	2.30	(7.85)	-	100.00%
3	Energylink (India) Limited	INR	153.96	(1.24)	1.94	0.37	151.15	0.24	0.14	-	0.14	-	100.00%
4	Saicharan Properties Limited	INR	151.15	(32.28)	359.01	240.14	-	79.82	(25.48)	-	(25.48)	-	100.00%
5	Adeshwar Infrabuild Limited	INR	0.05	(0.04)	0.01	0.00	-	0.00	(0.00)	-	(0.00)	-	100.00%
6	Amber Real Estate Limited	INR	0.99	2.90	9.84	5.95	-	5.56	0.88	0.34	0.54	-	100.00%
7	Kalpataru Satpura Transco Private Limited (footnote 5)	INR	-	-	-	-	-	16.78	5.74	1.67	4.07	-	100.00%
8	Kalpataru Power Transmission - USA, Inc.	USD	2.28	2.23	4.75	0.24	-	5.42	3.69	0.14	3.54	-	100.00%
9	Kalpataru Power Transmission (Mauritius) Limited	USD	2.90	(1.08)	6.60	6.16	1.39	-	(0.16)	-	(0.16)	-	100.00%
10	LLC Kalpataru Power Transmission Ukraine	UAH	0.27	0.06	3.12	2.78	-	(0.02)	0.41	-	0.41	-	100.00%
11	Kalpataru IBN Omairah Company Limited	SAR	0.85	4.69	6.07	0.54	-	0.17	(0.22)	0.20	(0.41)	-	100.00%
12	Kalpataru Metfab Private Limited	INR	30.01	(15.06)	15.00	0.05	-	-	(7.07)	-	(7.07)	-	100.00%
13	Alipurduar Transmission Limited	INR	55.63	114.57	1,103.54	933.35	-	90.36	(29.50)	(7.40)	(22.10)	-	100.00%
14	Kalpataru Power DMCC, UAE	AED	1.39	(2.69)	4.54	5.84	-	0.32	(0.68)	-	(0.68)	-	100.00%
15	JMC Mining & Quarries Limited	INR	0.50	(0.31)	0.90	0.71	-	-	(0.00)	-	(0.00)	-	100.00%
16	Brij Bhoomi Expressway Private Limited	INR	22.76	(40.89)	195.59	213.73	-	30.82	(6.72)	1.20	(7.93)	-	100.00%
17	Wainganga Expressway Private Limited	INR	30.00	(123.47)	661.59	755.06	-	59.17	(34.96)	(0.33)	(34.63)	-	100.00%
18	Vindhyachal Expressway Private Limited	INR	27.05	118.52	785.89	640.32	-	62.12	(17.95)	(7.01)	(10.94)	-	100.00%
19	Punarvasu Financial Services Private Limited	INR	19.38	2.89	22.85	0.58	-	3.66	1.61	0.49	1.12	-	100.00%
20	Kalpataru Power Transmission Sweden AB	SEK	52.49	(5.94)	0.71	100.27	146.12	-	(9.87)	-	(9.87)	-	100.00%
21	Linjemontage i Grästorp Aktiebolag	SEK	0.15	61.49	333.15	274.16	2.65	555.25	14.73	4.71	10.02	-	85.00%
22	Linjemontage Service Nordic AB	SEK	0.08	6.23	11.59	5.28	-	33.09	0.76	0.28	0.48	-	85.00%
23	Linjemontage AS	SEK	0.07	1.83	2.11	0.21	-	0.16	(0.91)	0.21	(1.13)	-	85.00%

Notes:

1 Exchange rates at the year end considered for conversion : 1 USD = Rs. 75.3859; 1 AED = Rs. 20.5255; 1 UAH = Rs. 2.7330; 1 SAR= Rs. 20.0335; 1 SEK = Rs. 7.6317

2 Average exchange rates for the year considered for conversion : 1 USD = Rs. 70.8846; 1 AED = Rs. 19.3039; 1 UAH = Rs. 2.8113; 1 SAR= Rs. 18.9024; 1 SEK = Rs. 7.4017

3 There are no Subsidiaries which are yet to commence operations.

4 There are no Subsidiaries which are liquidated during the year.

5 "Kalpataru Satpura Transco Private Limited" has ceased to be a subsidiary of the Company w.e.f. 20th November, 2019.

Annexure pursuant to first proviso to sub section (3) of section 129 of Companies (Accounts) Act, 2013 Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures

Part "B": Associates and Joint Ventures

(₹ in Crores)

	Name of Associates / Joint Ventures	Jhajjar KT Transco Private Limited	Kurukshetra Expressway Private Limited	Kohima-Mariani Transmission Limited*
1	Latest audited Balance Sheet Date	31st March 2020	31st March 2020	31st March 2020
2	Shares of Associate/Joint Ventures held by the Company on the year end			
	(a) Numbers	11,264,286	35,015,731	54,256,353
	(b) Amount of Investment in Associates/Joint Venture (Rs. In Crores)	38.15	66.58	189.88
	(c) Extend of Holding %	49.72%	33.59%	74.00%
3	Description of how there is significant influence	Holding 20% or more Share Capital		
4	Reason why the Associate/Joint Venture is not Consolidated	-	-	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. In Crores)	52.97	(54.07)	189.24
6	Profit / (Loss) for the year			
	(a) Considered in Consolidation (Rs. In Crores)	-	(23.38)	-
	(b) Not Considered in Consolidation (Rs. In Crores)	1.46	-	-

Notes:

(a) There are no Associate or Joint Venture which are yet to commence operations

(b) There are no Associate or Joint Venture which have been liquidated or sold during the year.

(c) *wholly owned Subsidiary of the Company till May 1, 2018 and thereafter, became a Joint Venture on account of joint control as per Ind AS 111. However, based on the Company's equity stake, continues to be a Subsidiary in terms of section 2 (87) of the Companies Act, 2013.

Notes

Corporate Information

Auditors

M/s. B S R & Co. LLP

Bankers

Indian Bank
SBI
UBI
PNB
ICICI Bank
EXIM Bank
IDBI Bank
SCB
HSBC
Axis Bank
Yes Bank

Company Secretary

Mr. Rajeev Kumar

Registered Office

Plot No. 101, Part III,
G.I.D.C Estate, Sector 28,
Gandhinagar - 382 028, Gujarat, India
Tel No.: +91-79-2321 4000
Fax No.: +91-79-2321 1966 / 68 / 71
Email: mktg@kalpatarupower.com

Corporate Office

'Kalpataru Synergy',
7th Floor, Opp. Grand Hyatt Hotel,
Vakola, Santacruz (E),
Mumbai - 400 055, India.
Tel No.: +91-22-3064 5000
Fax No.: +91-22-3064 3131

Website

www.kalpatarupower.com

KALPA-TARU®

POWER TRANSMISSION LIMITED

www.kalpatarupower.com

POWER TRANSMISSION LIMITED

KALPATARU POWER TRANSMISSION LIMITED

Regd. Office: Plot No. 101, Part III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India
Tel.: +91 79 232 14000 Fax: +91 79 232 11966
Email: cs@kalpatarupower.com
CIN: L40100GJ1981PLC004281
Web: www.kalpatarupower.com

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE THIRTY-NINTH ANNUAL GENERAL MEETING ("AGM" or "MEETING") OF THE MEMBERS OF KALPATARU POWER TRANSMISSION LIMITED WILL BE HELD ON **WEDNESDAY, AUGUST 12, 2020 AT 2:00 P.M. IST** THROUGH VIDEO CONFERENCING (**"VC"**) / OTHER AUDIO VISUAL MEANS (**"OAVM"**) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To consider and adopt:

   (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2020, the Reports of the Board of Directors and Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon.

2. To confirm the payment of interim dividend of ₹ 3.50 per equity share, already paid, for the year ended March 31, 2020

3. To appoint a Director in place of Mr. Imtiaz Kanga (DIN: 00136272), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. Ratifying remuneration of Cost Auditor for the FY 2020-21

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to the remuneration payable to M/s K. G. Goyal & Associates, Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, as set out in the Statement annexed to the Notice convening this Annual General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. Re-appointment of Mr. Manish Mohnot (DIN: 01229696) as Managing Director & CEO of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder read with Schedule V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Manish Mohnot (DIN: 01229696) as Managing Director & CEO of the Company for a period of 5 (five) years commencing from April 1, 2020, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include any Committee thereof) to alter and vary the terms and conditions of said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Manish Mohnot, subject to the same not exceeding the limits specified under Schedule V of the Act or any statutory modification or re-enactment thereof."

"RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of Mr. Manish Mohnot, if the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals pay the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the Explanatory Statement annexed to the Notice convening this Meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board be and is hereby authorized 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."

6. Re-appointment of Ms. Anjali Seth (DIN: 05234352) as an Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Anjali Seth (DIN: 05234352), who was appointed as an Independent Director to hold office as an Independent Director up to May 18, 2020 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, commencing from May 19, 2020 and ending on May 18, 2025."

By Order of the Board
For **KALPATARU POWER TRANSMISSION LTD.**

Place: Mumbai
Date: June 30, 2020

Rajeev Kumar
Company Secretary

Notes

(A) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (**"MCA"**) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as **"MCA Circulars"**) permitted the holding of the Annual General Meeting (**"AGM or Meeting"**) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

(B) GENERALLY, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

(C) The Explanatory Statement setting out the material facts, pursuant to Section 102 of the Act in respect of the special business is annexed hereto. The Board of Directors of the Company at its meeting held on May 20, 2020 considered that the special businesses being considered unavoidable, be transacted at the AGM of the Company.

(D) Corporate Members intending to represent through their authorized representatives at the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

(E) Information as required under Regulation 36 of the SEBI Listing Regulations with respect to Brief resume of Directors proposed to be appointed / reappointed, nature of their expertise in specific functional areas, names of listed companies in which they hold directorships and the Memberships of Board Committees, shareholding and relationships between directors inter-se, are provided in the Annexure to the explanatory statement attached to this Notice.

(F) In case of joint holders attending the Meeting, only such joint holder who is high in the order of names in the Register of Members will be entitled to vote.

(G) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

(H) Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 6, 2020 to Wednesday, August 12, 2020 (both days inclusive) in connection with the Meeting.

(I) The Company or its Registrars and Transfer Agents, Link Intime India Private Limited ("Link Intime") cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.

(J) Members holding shares in physical mode:

i. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Link Intime, if not registered with the Company as mandated by SEBI.

ii. are advised to register the nomination in respect of their shareholding in the Company.

(K) All documents referred to in the Notice and the Explanatory Statement and other Statutory Registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. (i.e. except Saturdays, Sundays and public holidays) up to the date of the Meeting. Such documents will also be available electronically for inspection by the members from the date of circulation of this Notice upto the date of AGM and during the AGM. Members seeking to inspect such documents can send an email to cs@kalpatarupower.com.

(L) Members holding shares in physical form are requested to promptly notify in writing any changes in their address/ bank account details to Link Intime India Private Limited, 506-508, Amarnath Business Centre - 1, Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad - 380 009. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

(M) SEBI HAS NOTIFIED THAT REQUESTS FOR EFFECTING TRANSFER OF SECURITIES SHALL NOT BE PROCESSED BY LISTED ENTITIES UNLESS THE SECURITIES ARE HELD IN THE DEMATERIALIZED FORM WITH A DEPOSITORY. IN VIEW OF THE ABOVE AND TO AVAIL VARIOUS OTHER BENEFITS OF DEMATERIALISATION LIKE EASY LIQUIDITY, ELECTRONIC TRANSFER AND ELIMINATION

Notes

OF ANY POSSIBILITY OF LOSS OF DOCUMENTS AND BAD DELIVERIES, MEMBERS ARE ADVISED TO DEMATERIALISE SHARES HELD BY THEM IN PHYSICAL FORM.

(N) Communication through e-mail: In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.kalpatarupower.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL https://www.evotingindia.com.

Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

To support green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in the following manner:

a. In respect of electronic holdings with the Depository through their concerned Depository Participants. However, the members may temporarily register the same with the Company's Registrar and Share Transfer Agent M/s. Link Intime India Private Limited at https://linkintime.co.in/emailreg/email_register.html on their website www.linkintime.co.in in the Investors service tab by providing details such as Name, DP ID, Client ID, PAN, mobile number and email address.

b. Members who hold shares in physical form are requested to register their e-mail ID with the Company's Registrar and Share Transfer Agent M/s. Link Intime India Private Limited at https://linkintime.co.in/emailreg/email_register.html on their website www.linkintime.co.in in the Investors service tab by providing details such as Name, Folio No., Certificate number, PAN, mobile number and email address and also upload the image of share certificate in PDF or JPEG format (upto 1 MB).

(O) With a view to serving the Members better and for administrative convenience, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

(P) Members who have neither received nor encashed their dividend warrant(s) for the financial years from 2012-13 up to 2018-19, are requested to write to the Company / RTA, mentioning the relevant Folio number or DP ID and Client ID, along with Bank account details and cancelled cheque to update the securities holder's data, if the same is not updated. The unpaid dividend shall be paid only via electronic bank transfer. The original cancelled cheque should bear the name of the shareholder failing which shareholder should submit copy of bank passbook / statement attested by the bank. RTA shall then update the bank details in its records after due verification.

(Q) The Company has transferred the unpaid or unclaimed dividends declared up to financial year 2011-12, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company www.kalpatarupower.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

(R) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more. Details of shares transferred to the IEPF Authority are available on the website of the Company www.kalpatarupower.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from IEPF. Concerned members/investors are advised to visit the weblink: http://www.iepf.gov.in/IEPF/refund.html.

(S) The instructions for Members attending and voting electronically are as under:

(i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the above referred MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL.

(ii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this notes. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders with 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

(iii) Process for those shareholders whose email ids are not registered: The shareholders who have not registered their email ids are requested to get the same registered by following the process stated in note (N) above.

(iv) The remote e-voting period begins on Saturday, August 8, 2020 at 9:00 A.M. and ends on Tuesday, August 11, 2020 at 5:00 P.M. The e-voting module shall be disabled by CDSL for voting thereafter. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 5, 2020 may cast their vote electronically.

(v) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(vi) The Members should log on to the e-voting website www.evotingindia.com

(vii) Click on Shareholders

(viii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Registered Folio Number with the Company.

(ix) Next enter the Image Verification as displayed and Click on Login.

(x) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(xi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10-digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) *Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN Field. The Sequence Number is stated in the email sent to the members.
DOB (Date of Birth) or Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio in order to login. If both the details are not recorded with the depository or company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (viii).

(xii) After entering these details appropriately, click on “SUBMIT” tab.

(xiii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Notes

(xiv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xv) Click on the EVSN for the relevant "Kalpataru Power Transmission Limited" on which you choose to vote.

(xvi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xvii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xviii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xx) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xxi) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xxii) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xxiii) INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON e-VOTING SYSTEM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.

3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.

4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xxiv) INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Members are advised to join the Meeting through Laptops/Desktops for better experience.

3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request during the period Monday, August 3, 2020 to Friday, August 7, 2020 mentioning their name, demat account number/folio number, email id, mobile number at company email id: cs@kalpatarupower.com. Those shareholders who have registered themselves as a speaker will only

be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time as appropriate for smooth conduct of the AGM.

6. Members desirous for any information or queries on accounts / financial statements or relating thereto or any matter to be placed at the AGM may send their questions in advance during the period Monday, August 3, 2020 to Friday, August 7, 2020 mentioning their name demat account number/ folio number, email id, mobile number at company email id: cs@kalpatarupower.com. The same will be replied by the company suitably.

(xxv) Note for Non – Individual Members and Custodians

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the valid Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter/ Power of Attorney etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer on csurmilved@gmail.com and to the Company on cs@kalpatarupower.com, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xxvi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

(xxvii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Other information

(A) The Company has appointed Mr. Urmil Ved, Practicing Company Secretary, (Membership No. 8094) to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

(B) The Scrutinizer shall, after the conclusion of voting at the General Meeting, first count the votes cast at the Meeting and unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make no later than 48 hours of the conclusion of the meeting a Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes if any, forthwith to the Chairman of the Company or the person authorized by him, who shall countersign the same and declare the result of the voting forthwith.

(C) The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.kalpatarupower.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

(D) The resolutions shall be deemed to be passed on the date of the Meeting, subject to receipt of sufficient votes.

By Order of the Board
For **KALPATARU POWER TRANSMISSION LTD.**

Place: Mumbai
Date: June 30, 2020

Rajeev Kumar
Company Secretary

Explanatory Statement

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. K. G. Goyal & Associates as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2021, for a remuneration of ₹ 1,10,000 (Rupees One lakhs Ten Thousand only) plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

Your Board recommends the resolution at Item No. 4 as on Ordinary Resolution for approval of the members.

None of the Directors or any key managerial personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No. 5

Mr. Manish Mohnot (DIN: 01229696) was appointed as Jt. Managing Director of the Company w.e.f April 1, 2015 and was elevated to the position of Managing Director w.e.f June 1, 2015. Further, considering the roles and functions performed by Mr. Manish Mohnot, the Board of Directors at its meeting held on March 28, 2017 had re-designated him as Managing Director & CEO. The Tenure of Mr. Manish Mohnot as Managing Director and CEO was due to expire on March 31, 2020.

Mr. Manish Mohnot has been with the Company for about 14 years and has played a key role in the business growth. Considering overall performance of the Company during his tenure, the Board of Directors at its meeting held on March 4, 2020, at the recommendation of Nomination and Remuneration Committee and subject to approval of members, re-appointed Mr. Manish Mohnot (DIN: 01229696) as Managing Director & CEO for a period of 5 years w.e.f April 1, 2020 upto March 31, 2025 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board.

In view of the economic challenges being faced due to Covid-19 pandemic and the situation of lockdown in the country and the impact thereof, the Board of Directors, at the recommendation of Nomination and Remuneration Committee, at its meeting held on May 20, 2020, revised the remuneration payable to Mr. Manish Mohnot w.e.f. April 1, 2020.

The main terms and conditions of appointment and remuneration of Mr. Manish Mohnot as Managing Director & CEO are given below:

Main terms and conditions	Details
Tenure of Appointment	Mr. Manish Mohnot is proposed to be re-appointed as a Managing Director & CEO for a period of 5 years w.e.f April 1, 2020 to March 31, 2025.
Nature of Duties	Mr. Manish Mohnot shall report to the Board of Directors and Chairman of the Company. Mr. Manish Mohnot shall perform all duties and responsibilities related / incidental to position of Managing Director & CEO of the Company as may be assigned to him by the Board of Directors from time to time.
	He shall give his wholetime attention to the management and affairs of the Company subject to the superintendence, control and direction of the Board of Directors of the Company and shall use his best endeavors and efforts that would impact the revenues, profits, customer delight, brand equity, corporate governance, ethics, corporate social responsibility and overall growth of the Company and shall in all respects diligently and faithfully observe all lawful orders and instructions of the Company in relation to the conduct of the business of the Company and shall not divulge any secrets or dealings relating thereto.

Main terms and conditions	Details
	He shall subject to the control and overall directions of Board of Directors, be responsible for all day to-day affairs and management of the Company except such matters which are specifically required to be done by the Board either by the Companies Act, 2013 or by the Articles of Association of the Company.
Remuneration	Mr. Manish Mohnot will be paid monthly salary, allowances, perquisites and amenities in the following manner subject to overall ceiling laid down under Section 197 and Schedule V of the Companies Act, 2013: **I. Salary & Allowances** (as decided in the Board meeting held on March 04, 2020): Basic Salary : ₹ 14,00,000/- per month (Rupees Fourteen Lakhs only) (exclusive of employer contribution to PF of ₹ 1,68,000/-) Allowances : ₹ 17,65,000/- per month (Rupees Seventeen Lakhs Sixty Five Thousand only) **Total : ₹ 33,33,000 /- per month (Rupees Thirty Three Lakhs Thirty Three Thousand only)** Subsequently in the Board meeting held on May 20, 2020, considering impact of COVID-19 pandemic, the Board of Directors revised the remuneration structure effective from April 1, 2020 as under: Basic Salary : ₹ 12,00,000/- per month (Rupees Twelve Lacs only) (exclusive of employer contribution to PF of ₹ 1,44,000) Allowances : ₹ 16,97,667/- per month (Rupees Sixteen Lacs Ninety Seven Thousand six hundred sixty seven only) **Total : ₹ 30,41,667/- per month (Rupees Thirty Lacs Forty One Thousand six hundred sixty seven only)** The above Total remuneration is inclusive of Company's contribution towards provident fund. The Managing Director & CEO shall be entitled to such increments in addition to the above remunerations every year as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. **II. Perquisites:** **PART – A:** (i) Medical Expenses: Reimbursement of medical expenses upto ₹ 15,000/- per annum and premium on medical and/or health insurance policy (whether in India and/or abroad), for self and family as approved by the Board from time to time. (ii) Club Fee: The Company shall pay membership fees of one club at Mumbai and one club at Ahmedabad (iii) Books/Periodicals: Reimbursement upto ₹ 10,000/- per annum (iv) Fees of Professional Bodies: Reimbursement upto ₹ 10,000/- per annum **PART- B:** (i) Gratuity will be payable as per Payment of Gratuity Act, 1972. **PART- C:** (i) Company's car will be provided for use of Company's business. (ii) Communication Facilities at residence shall be provided for business related use at Company's expenses. Personal outstation calls shall be on personal account. (iii) Working hours/days and leaves (including leave encashment) would be as per Company's rules. **III. Profit Link Incentive / Commission:** Commission in addition to the basic salary, allowances, perquisites, calculated with reference to the net profits in a particular financial year, as recommended by the Nomination and Remuneration committee and as approved by the Board of Directors within the limit stipulated under Section 197 and schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

Explanatory Statement

Main terms and conditions	Details
Minimum Remuneration	In the event of loss or inadequacy of profits in any Financial Year, Mr. Manish Mohnot shall subject to requisite approvals, if any, be paid remuneration by way of Salary, Perquisites, performance pay, other allowances and benefits as specified above subject to the limits, if any, set out in Schedule V of the Companies Act, 2013, from time to time.
Notice period	The appointment of Managing Director & CEO may be terminated by either party giving to the other 6 months' notice in writing. However, the appointment may be terminated by giving less than 6 months' notice by mutual agreement between the parties.

The Brief profile of Mr. Manish Mohnot, the nature of his expertise, the names of listed entities in which he holds directorships/ memberships of Committees of Board, and details of his shareholding in the Company and other information is annexed to this Explanatory Statement.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member proposing to re-appoint Mr. Manish Mohnot as Managing Director & CEO of the Company.

Pursuant to the provisions of Sections 196, 197 and all other applicable provisions of the Companies Act, 2013 ("the Act"), terms and conditions of re-appointment and the remuneration payable to Mr. Manish Mohnot as Managing Director and CEO is now being placed before the members in the 39th Annual General Meeting for their approval by way of a Special Resolution.

Mr. Manish Mohnot satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The terms and conditions of re-appointment of Mr. Manish Mohnot shall be open for inspection by the Members at the Registered Office of the Company.

The Board recommends the resolution set out at Item No. 5 of the Notice for your approval by way of passing a Special Resolution.

Mr. Manish Mohnot is interested in the resolution set out at Item No. 5 of the Notice as the same relates to his re-appointment and remuneration payable to him. The relatives of Mr. Manish Mohnot may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

Item No. 6

Ms. Anjali Seth (DIN: 05234352) was appointed as an Independent Director (Woman Director) on the Board of the Company to hold office as an Independent Director of the Company up to May 18, 2020 ("first term").

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Ms. Anjali Seth as an Independent Director of the Company for second term of 5 (five) consecutive years commencing from May 19, 2020 and ending on to May 18, 2025.

The Board, based on the performance evaluation and as per the recommendations of Nomination and Remuneration Committee, considers that, given her background, experience and contributions made during her tenure, her continued association would be beneficial to the Company and therefore it is desirable to continue to avail her services as an Independent Director for a second term of 5 (five) consecutive years.

Ms. Anjali Seth is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Company has also received declaration from Ms. Anjali Seth that she meets the criteria of independence as prescribed under both SEBI (LODR) Regulations, 2015 as well as Section 149(6) of the Act.

In the opinion of the Board, Ms. Anjali Seth fulfil the conditions for re-appointment as an Independent Director as specified in Act and SEBI (LODR) Regulations, 2015. She is independent of the management.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member proposing to re-appoint Ms. Anjali Seth as an Independent Director of the Company.

Details of Ms. Anjali Seth whose re-appointment as an Independent Director is proposed at Item No. 6, is provided in the "Annexure" to the Explanatory statement. She shall be paid remuneration by way of fee for attending meetings of Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in Board and other meetings and profit related commission within the limits stipulated under section 197 of the Act.

The terms and conditions of re-appointment of Ms. Anjali Seth shall be open for inspection by the Members at the Registered Office of the Company.

Your Directors recommend Resolution at Item No. 6 as a Special Resolution for approval of the members.

Ms. Anjali Seth is interested in the resolution set out at Item No. 6 of the Notice as the same relates to her re-appointment. The relatives of Ms. Anjali Seth may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the company and their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

By Order of the Board
For **KALPATARU POWER TRANSMISSION LTD.**

Place: Mumbai
Date: June 30, 2020

Rajeev Kumar
Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government, Members who have not registered their e-mail address, so far, are requested to get their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants and in respect of physical holding, with the Registrar and Transfer agent of the Company. Members who hold shares in Physical form, are also requested to get their shares dematerialized.

Annexure to the Explanatory Statement

Information pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings(SS-2) of Directors seeking appointment / re-appointment / continuation of appointment at the forthcoming Annual General Meeting

I. Mr. Imtiaz Kanga

Name	Mr. Imtiaz Kanga
Age (as on March 31, 2020)	67 years
Date of first appointment on the Board	March 8, 2016
Brief resume/ Qualification/ Expertise in specific functional area/Experience	Mr. Imtiaz Kanga is a Chartered Accountant by profession. He has a rich experience of more than 39 years in various industries. Currently, he serves on the Board of various Kalpataru Group Companies.
No. of shares held in the Company	1,00,000
Relationship with other Directors and Key Managerial Personnel	None

List of directorship of other listed entities (as on March 31, 2020)	Chairmanship / Membership of Committees of the Board in such companies
None	None

II. Mr. Manish Mohnot

Name	Mr. Manish Mohnot
Age (as on March 31, 2020)	47 years
Date of first appointment on the Board	November 1, 2006
Brief resume/ Qualification/ Expertise in specific functional area/Experience	Mr. Manish Mohnot has been with the Company for about 14 years and has played a key role in the business growth. He has more than 25 years of experience in sectors related to infrastructure with focus on EPC contracting for sectors including power, oil & gas, roads, railways, factories & buildings and other related sectors. He serves on the Boards of JMC Projects (India) Ltd. and Shree Shubham Logistics Limited. He is a qualified Chartered Accountant and a Cost Accountant. He has also done an advanced management program from Harvard University, U.S.
No. of shares held in the Company	NIL
Relationship with other Directors and Key Managerial Personnel	None

List of directorship of other listed entities (as on March 31, 2020)	Chairmanship / Membership of Committees of the Board in such companies
JMC Projects (India) Limited	Stakeholder's Relationship Committee – Member Nomination and Remuneration Committee – Member Management Committee – Member Share Transfer Committee – Member Risk Management Committee – Member

III. Ms. Anjali Seth

Name	Ms. Anjali Seth
Age (as on March 31, 2020)	61 Years
Date of first appointment on the Board	March 28, 2015
Brief resume/ Qualification/ Expertise in specific functional area/Experience	Ms. Anjali Seth has a rich and diverse experience of more than 30 years including as a professional lawyer. She has advised and consulted with top banks, financial institutions and corporates on a range of matters including M&A, PE Investments, industrial and employee's relations, corporate governance, real estate negotiation, legal matters, statutory issues, litigations etc. She has been associated in various positions with International Finance Corporation, ANZ Grindlays Bank, Standard Chartered Bank, Emmar Properties (UAE) and Swaadhar Finserve Limited. She holds bachelor degree in Law.
No. of shares held in the Company	Nil
Relationship with other Directors and Key Managerial Personnel	None

List of directorship of other listed entities (as on March 31, 2020)	Chairmanship / Membership of Committees of the Board in such companies
Nirlon Limited	None
Caprihans India Limited	Stakeholders Relationship Committee – Member
	Corporate Social Responsibility Committee - Member
Endurance Technologies Limited	Audit Committee - Member
	Stakeholders Relationship Committee – Chairperson
	Nomination and Remuneration Committee - Member
JMC Projects (India) Limited	Audit Committee - Member
	Stakeholders Relationship Committee - Member
Centrum Capital Limited	None

Note: *For other details such as number of meetings of the Board attended during the year, remuneration drawn, etc., please refer to the Report on Corporate Governance section of the Annual Report.*

Notes